CHHATTISGARH
STATE ELECTRICITY REGULATORY COMMISSION
RAIPUR

Chhattisgarh State Power Generation Co. Ltd.	......	P. No. 95/2024 (T)
Chhattisgarh State Power Transmission Co. Ltd	......	P. No. 96/2024 (T)
Chhattisgarh State Load Despatch Centre	......	P. No. 97/2024 (T)
Chhattisgarh State Power Distribution Co. Ltd.	......	P. No. 98/2024 (T)

Present: **Hemant Verma, Chairperson**
Vivek Ganodwale, Member (Law)
Ajay Kumar Singh, Member

In the matter of Petitions filed by–

1. Chhattisgarh State Power Generation Company Ltd. (CSPGCL) for final true-up for FY 2023-24 and determination of ARR and Tariff for FY 2025-26;
2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for final true-up for FY 2023-24 and determination of ARR and Transmission Charges for FY 2025-26;
3. Chhattisgarh State Load Despatch Centre (CSLDC) for final true-up for FY 2023-24 and determination of ARR and Charges for FY 2025-26;
4. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) for final true-up for FY 2023-24, and determination of ARR and Tariff for FY 2025-26.

ORDER
(Passed on 11/07/2025)

1. As per provisions of the Electricity Act, 2003 (hereinafter referred as 'the Act') and the Tariff Policy, the Commission has notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according

to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2021 (hereinafter referred as 'MYT Regulations, 2021') for determination of tariff for the Generating Company, Transmission Licensee and Distribution Licensee (Licensees), and CSLDC, which is applicable for tariff determination and truing up for the Control Period from FY 2022-23 to FY 2024-25 for the Generating Company, Licensees, and CSLDC.

2. Further, the Commission vide Order dated 24 October 2024, directed the Licensees and Generating Companies to file the Tariff Petition for FY 2025-26 along with the true-up Petition for FY 2023-24 in accordance with the provisions of the Act and broadly following the principles specified in prevailing MYT Regulations, 2021.

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 for FY 2023-24 and determination of ARR and Tariff for FY 2025-26, (ii) Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for approval of final true-up for FY 2023-24 and determination of ARR and Transmission Charges for FY 2025-26, (iii) Chhattisgarh State Load Despatch Centre (CSLDC) for approval of final true-up for FY 2023-24 and determination of ARR and Charges for FY 2025-26, (iv) Chhattisgarh State Power Distribution Company Limited (CSPDCL) for final true-up for FY 2023-24, and determination of ARR and Tariff for FY 2025-26.

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 available at the offices of the Petitioners. A Public Notice along with the gist of the Petitions was also published in the newspapers, and objections/suggestions were invited as per the procedure laid down in the Regulations. The Commission also held a meeting with Members of the State Advisory Committee on 18 June, 2025 for seeking their valuable suggestions and comments. Further, the Commission conducted

Public Hearings in physical as well as video conferencing mode on the Petitions in its office at Raipur on 19, 20 and 30 June 2025.

6. The Commission has undertaken final true-up for FY 2023-24 for CSPTCL, CSLDC, CSPGCL, and CSPDCL, based on the audited accounts submitted by the Utilities and in accordance with the provisions of the MYT Regulations, 2021.

7. In the Multi-Year Tariff (MYT) Order passed on 13 April 2022, the Commission had approved the ARR and Tariff for the Control Period from FY 2022-23 to FY 2024-25 for the utilities, in accordance with the provisions of the MYT Regulations, 2021. Further, the Commission passed the Tariff Order for FY 2023-24 on 28 March 2023.

8. The Revenue Gap/(Surplus) of CSPGCL, CSPTCL and CSLDC arising out of final true-up for FY 2023-24, along with corresponding carrying/holding cost, have been considered, along with the impact of the Review filed by CSPDCL on the Tariff Order for FY 2024-25, while computing the cumulative Revenue Gap/(Surplus) to be allowed for CSPDCL for FY 2025-26.

9. After applying the carrying cost on Revenue Gap of CSPGCL for FY 2023-24, the total Revenue Gap up to FY 2025-26 has been approved as Rs. 311.98 Crore, as against CSPGCL's claim of Rs. 294.74 Crore.

10. After applying the carrying cost on the Revenue Gap of CSPTCL for FY 2023-24, the total Revenue Gap up to FY 2025-26 has been approved as Rs. 27.52 Crore, as against the claim of CSPTCL for Revenue Gap of Rs. 43.72 Crore. Similarly, after applying the holding cost on the Revenue Surplus of CSLDC for FY 2023-24, the total Revenue Surplus up to FY 2025-26 has been approved as Rs. 0.98 Crore, as against the claim of CSLDC for Revenue Surplus of Rs. 1.04 Crore.

11. The cumulative Revenue Gap of CSPDCL is approved as Rs. 3,980.45 Crore, as against Rs. 6,262.56 Crore sought by CSPDCL. The cumulative Revenue Gap/(Surplus) of CSPGCL, CSPTCL, and CSLDC for FY 2023-24 along with carrying/(holding) cost has been approved as Rs. 338.52 Crore, as against the claim of Rs. 337.42 Crore by the Companies, which has been considered in the ARR of CSPDCL for FY 2025-26.

12. The Commission has approved the capitalisation for FY 2025-26 based on the Capital Investment Plan (CIP) approved for FY 2025-26 based on the separate Petitions filed by the Utilities.

CSPGCL: Tariff for FY 2025-26

13. The Commission has approved cumulative Revenue Gap of Rs. 311.98 Crore up to FY 2025-26 for CSPGCL, which shall be separately billed by CSPCGL on a monthly basis, at the rate of Rs. 34.53 Crore per month from the month of July 2025.

14. The Annual Fixed Cost (AFC) excluding P&G Trust contribution and Energy Charge Rate for CSPGCL stations, approved by the Commission for FY 2025-26, are as under:

Thermal Power Stations

Table: Approved Annual Fixed Cost (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	673.19
2	DSPM	481.18
3	KWTPP	554.62
4	ABVTPP	1,351.90

Table: Approved Contribution to Pension and Gratuity (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	180.28
2	DSPM	66.88
3	KWTPP	40.04
4	ABVTPP	109.49

Table: Approved Energy Charge Rate (Rs./kWh)

Sl. No.	Particulars	FY 2025-26
1	HTPS	1.657
2	DSPM	1.798
3	KWTPP	1.410
4	ABVTPP	1.967

Hydro Power Station (Hasdeo Bango)

Sl. No.	Particulars	FY 2025-26
1	Approved AFC (Rs. Crore)	29.24
2	Approved Net Generation (MU)	270.71
3	Approved Tariff for Hasdeo Bango (Rs./kWh) (*1/2*)	1.080
4	Contribution to P&G	5.71

The Contribution to Pension & Gratuity approved by the Commission shall be separately billed by CSPCGL on a monthly basis.

15. In this Order, the Commission has determined the Input Price of coal from Gare Palma -III mines for FY 2025-26, as given in the following Table:

Approved Input Price of Coal from GP-III mines for FY 2025-26 (Rs. Crore)

Particulars	Unit	FY 2025-26
Total Price/MT	Rs./MT	1550.02

CSPTCL: Tariff for FY 2025-26

16. For CSPTCL, the Transmission Charge for FY 2025-26 shall be as under:

Sl.	Particulars	Units	FY 2025-26
A	ARR for CSPTCL (including contribution to pension and gratuity)	Rs. Crore	1,318.54
B	*Add*: past year cumulative Revenue Gap with Carrying Cost	Rs. Crore	27.52
C	Net Approved ARR (A-B)	Rs. Crore	1,346.06
D	Monthly Transmission Charges for Medium-term and Long-term Open Access Consumers (C/12)*	Rs. Crore/ month	149.56*
E	Short-term Open Access Charges	Rs./kWh	0.3445

* CSPTCL shall bill the differential amount for the period from April to June 2025 in equal instalments over the period from July to September 2025

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 2025-26

17. For CSLDC, the Charges for FY 2025-26 shall be as under:

Sr. No.	Particulars	Units	FY 2025-26
1	ARR for FY 2025-26	Rs. Crore	25.21
2	Adjustment of Surplus of FY 2023-24 with holding cost up to FY 2025-26	Rs. Crore	(0.98)
3	Adjusted ARR for FY 2025-26	Rs. Crore	24.23
4	System Operation Charges*	Rs. Crore	19.39*
5	Intra-State Market Operation Charges*	Rs. Crore	4.85*
6	**Total SLDC Charges**	**Rs. Crore**	**24.23**

* CSLDC shall bill the differential amount for the period from April to June 2025 in equal instalments over the period from July to September 2025

CSPDCL: Tariff for FY 2025-26

18. For FY 2025-26, CSPDCL has sought approval for stand-alone ARR of Rs. 23,450.23 Crore. As against this, the Commission, after prudence check and due scrutiny, has approved the ARR of Rs. 22,494.76 Crore. The State Government subsidy has not been taken into account while approving the ARR of CSPDCL for FY 2025-26.

19. After considering the ARR and revenue from sale of electricity for FY 2025-26, the stand-alone Revenue Gap/(Surplus) for FY 2025-26 has been estimated as Rs. (2,618.20) Crore, as against the stand-alone Revenue Gap/(Surplus) of Rs. (1,203.48) Crore projected by CSPDCL for FY 2025-26.

20. CSPDCL has claimed a revenue deficit/(surplus) of Rs. 5,603.23 Crore, as against which the Commission has approved revenue deficit/(surplus) of Rs. 3,980.45 Crore after true-up for FY 2023-24. After applying the carrying cost on revenue deficit of FY 2023-24, CSPDCL has claimed revenue deficit of Rs. 5,703.88 Crore. After prudence check and due scrutiny, the Commission approves revenue deficit of Rs. 3,980.45 Crore.

21. The Commission has approved the net ARR of Rs. 25,636.38 Crore for FY 2025-26, which includes the approved revenue deficit/(surplus) of CSPGCL, CSPTCL, CSLDC, and CSPDCL. The standalone ACoS for FY 2025-26 has been approved as

Rs. 6.16/kWh. The adjusted Average Cost of Supply (ACoS) has been approved as Rs. 7.02/kWh for FY 2025-26.

22. CSPDCL has claimed a cumulative net deficit of Rs. 4,947.41 Crore for FY 2025-26, after considering revenue from sale of surplus power. Against this, the Commission has approved cumulative revenue deficit of Rs. 523.43 Crore, which includes the approved cumulative revenue deficit of Rs. 338.52 Crore of CSPGCL, CSPTCL, and CSLDC.

23. In order to recover the cumulative Revenue Gap of Rs. 523.43 Crore, the Commission has approved increase in the category-wise Tariff for FY 2025-26.

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.

25. In its Petition, CSPDCL had requested for uniform tariff hike in energy charges across all consumer categories, in order to meet the Revenue Gap. The average tariff increase effectively claimed by CSPDCL works out to around 20% to meet the Revenue Gap claimed by the Companies, which translates to Rs. 1.38/kWh. The Average Billing Rate (ABR) estimated by the Commission at the existing tariff for FY 2025-26 is Rs. 6.88/kWh. Hence, the Commission has approved average tariff increase of 1.89% across all consumer categories, which translates to Rs. 0.14/kWh, with the adjusted ACoS of Rs. 7.02/kWh.

26. The Commission has increased the Energy Charges across different categories/slabs ranging from 10 paise/kWh to 50 paise/kWh, with no change being made in the Fixed/Demand Charges. The Commission has revised the category-wise tariffs in such a manner that the cross-subsidies are reduced and are brought within ±20% of ACoS as stipulated in the Tariff Policy, 2016, to the extent possible.

27. The tariff increase approved for different categories is quite nominal and far lesser than the prevalent inflation indices. The Commission has also given certain directions to CSPDCL for improving its operational efficiency including its metering, billing and collection efficiency.

28. As regards rationalisation of tariff categories and category-wise tariff, the Commission has made the following changes in this Order as compared to the tariff categories approved in the previous Tariff Order:

a) The Sanctioned Load limit for LT Supply has been increased from 112.50 kW to 150 kW (and from 150 HP to 200 HP wherever applicable) and the tariff for LT supply has been made applicable for up to Sanctioned Load of 150 kW.

b) Gaushalas have been included under LV-1 Domestic Category.

c) Offset printers and Printing Presses have been shifted from LV-2 Commercial category to LV-5 Industrial category.

d) For Electric Vehicle Charging Stations, a separate sub-category has been created under LT Supply as LV-2.3 and under HT Supply as HV-11, with single-part tariff equal to ACoS of Rs. 7.02/kWh (Rs. 6.32/kVAh for HV-11), in accordance with the Guidelines notified by the Government of India.

e) The rebate of 10% has been extended to all mobile towers set-up in Government notified left-wing extremism affected districts, irrespective of their set-up date.

f) The rebate in energy charges for non-subsidised agriculture pump connections has been increased from 20% to 30%.

g) The rebate on Energy Charges applicable for Poha and Murmura mills under LV-5 category has been increased from 5% to 10%.

h) For consumers taking temporary supply (LV-8) under LV-1 and LV-2 categories, the Fixed Charge and Energy Charge shall be billed at 1.25 times the normal tariff applicable for the respective category.

i) Stay Homes recognised by the Government in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005 shall be categorised under LV-1 Domestic category, in order to promote tourism.

j) The minimum Billing Demand for the relevant LV categories and all HV categories has been increased from 80% to 85%, for facilitating effective load management.

k) In accordance with the Rules notified by the Ministry of Power, the Commission has introduced Time of Day (ToD) tariff for LV-1, LV-2, LV-5, LV-6, and LV-7 categories with Sanctioned Load more than 10 kW and having Smart Meters installed, with effect from 1 September 2025. To begin with, peak hour charges have been stipulated as 105% of normal rate of Energy Charges, and off-peak (Solar Hours) charges have been stipulated as 95% of normal rate of Energy Charges.

l) 1.5% rebate on the energy charge has been provided to LV consumers with Smart Meters who are billed in prepaid mode.

m) Rebate for advance payment has been increased from 0.5% to 1.25%.

n) Standalone stone crusher, mixer, mixer with stone crushers have been shifted from HV-2 category to HV-3 category.

o) Biomass briquettes manufacturing units have been categorised under LV-5 and HV-3 category.

p) 'Iron washery/beneficiation' units have been shifted from HV-4 category to HV-2 category.

q) The special rebate of 10% on Energy Charges has been made applicable for all Units under HV-4 category above 132 kV voltage level located in "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), without limitation of cut-off date, while the special rebate shall be 5% for such units at 132 kV and below.

r) The Load Factor rebate for HV-4 Steel category has been made applicable for Load Factor ranging from 50% to 75%.

s) The ToD tariffs have been extended to HV-5, HV-6, HV-8, HV-9 and HV-11 categories with effect from 1st September 2025, for enabling CSPDCL to complete the reprogramming of the TOD meters.

t) The provision for 30 hours per month of power-off (non-supply) has been extended to all voltage levels (11 kV, 33 kV, 132 kV and 220 kV).

u) The Parallel Operation Charges for Captive Power Plants have been revised from 13 paise/kWh to 15 paise/kWh.

v) The Transmission Charges applicable for Long/Medium-term Open Access transactions involving Solar Energy shall be 33% of the normal Transmission Charges.

w) Wheeling Charges have been stipulated for Open Access below 33 kV also.

x) The Wheeling Losses for Open Access below 33 kV have been stipulated as 10%.

y) Cross Subsidy Surcharge (CSS) has been determined separately for 220 kV and above, 132 kV, 33 kV, 11 kV, and LV voltages.

z) The Green Energy Charges have been revised, to reflect latest costs.

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

30. The Order will be applicable from July 1, 2025 and will remain in force till March 31, 2026, 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/-	**Sd/-**	**Sd/-**
(AJAY KUMAR SINGH)	**(VIVEK GANODWALE)**	**(HEMANT VERMA)**
MEMBER	**MEMBER (LAW)**	**CHAIRPERSON**

CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION

RAIPUR

Chhattisgarh State Power Generation Co. Ltd.	......	P. No. 95/2024 (T)
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Present: **Hemant Verma, Chairperson**
Vivek Ganodwale, Member (Law)
Ajay Kumar Singh, Member

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4. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) for final true-up for FY 2023-24, and determination of ARR and Tariff for FY 2025-26.

CORRIGENDUM ORDER
(Passed on 23/07/2025)

In the operative order passed on 11.07.2025 in respect of above-mentioned petitions, certain inadvertent typographical errors have been noticed. Therefore, following corrections are made in the aforesaid order:

1. In the para 13 of the operative order, the words “Rs. 34.53 Crore” shall be read as “Rs. 34.66 Crore”.

2. In row D of the table in para 16 of the operative order, the figure “149.56” shall be read as “112.17”.

Sd/-	Sd/-	Sd/-
(AJAY KUMAR SINGH)	**(VIVEK GANODWALE)**	**(HEMANT VERMA)**
MEMBER	**MEMBER (LAW)**	**CHAIRPERSON**

LIST OF ABBREVIATIONS

Abbreviation	Description
A&G	Administrative and General
ABR	Average Billing Rate
ADMS	Automatic Demand Management System
AFC	Annual Fixed Charges
AMC	Annual Maintenance Contract
APTEL	Hon’ble Appellate Tribunal of Electricity
ARR	Annual Revenue Requirement
AT&C	Aggregate Technical and Commercial
BESS	Battery Energy Storage System
BSP	Bhilai Steel Plant
CAGR	Compounded Annual Growth Rates
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CIP	Capital Investment Plan
COD	Date of Commercial Operation
CPI	Consumer Price Index
CSD	Consumer Security Deposit
CSEB	Chhattisgarh State Electricity Board
CSERC	Chhattisgarh State Electricity Regulatory Commission
CSLDC	Chhattisgarh State Load Despatch Centre
CSPDCL	Chhattisgarh State Power Distribution Company Limited
CSPGCL	Chhattisgarh State Power Generation Company Limited
CSPHCL	Chhattisgarh State Power Holding Company Limited
CSPTCL	Chhattisgarh State Power Transmission Company Limited
CSPTrCL	Chhattisgarh State Power Trading Company Limited
CTU	Central Transmission Utility
CWIP	Capital Work in Progress
DA	Dearness Allowances
DISCOM	Distribution Company
DPC	Delayed Payment Charges
DSM	Deviation Settlement Mechanism
DT	Distribution Transformer
EHV	Extra High Voltage
FCA	Fuel Cost Adjustment
FPPAS	Fuel & Power Purchase Adjustment Surcharge
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoCG	Government of Chhattisgarh
GoI	Government of India
HP	Horse Power

Abbreviation	Description
HPO	Hydro Purchase Obligation
HR	Human Resource
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	Kilometre
kV	kilo Volt
kVA	kilo Volt-Ampere
kW	Kilo Watt
kWh	kilo Watt-hour
LV	Low Voltage
M&G	Maintenance and General
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

Abbreviation	Description
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition
SERC	State Electricity Regulatory Commission
SLDC	State Load Despatch Centre
SLM	Straight Line Method
STPS	Super Thermal Power Station
STU	State Transmission Utility
T&D Loss	Transmission and Distribution Loss
ToD	Time of Day
TSAF	Transmission System Availability Factor
TSA	Transmission Service Agreement
TVS	Technical Validation Session
UDAY	Ujjwal DISCOM Assurance Yojana
UI	Unscheduled Interchange
VCA	Variable Cost Adjustment
WRLDC	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 (hereinafter referred as 'the EA, 2003' or 'the Act') stipulates the guiding principles for determination of tariff by the Commission and mandates that the tariff should progressively reflect the cost of supply of electricity, reduce cross subsidy, safeguard consumers interest and recover the cost of electricity in a reasonable manner. This Section also stipulates that the Commission while framing the Tariff Regulations shall be guided by the principles and methodologies specified by the Central Electricity Regulatory Commission for determination of the tariff applicable to generating companies and transmission licensees.

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

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

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

1.3 Procedural History

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

CSLDC. Based on the above Regulations, the Commission issued the MYT Order dated 13 April, 2022 for CSPGCL, CSPTCL, CSLDC, and CSPDCL for the Control Period from FY 2022-23 to FY 2024-25.

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) (First Amendment) Regulations, 2023 on May 10, 2023, which shall be effective from 1 April, 2023.

Further, the Commission vide Order dated 24 October 2024, directed the Licensees and Generating Companies to file the Tariff Petition for FY 2025-26 along with the true-up Petition for FY 2023-24 in accordance with the provisions of the Act and broadly following the principles specified in the prevailing MYT Regulations, 2021.

In accordance with the MYT Regulations, 2021, as amended, and the Commission's Order dated 24 October 2024, CSPGCL filed the Petition for approval of final true-up for FY 2023-24 and determination of ARR and Tariff for 2025-26 on 29/11/2024, which was registered as Petition No. 95 of 2024. CSPTCL filed the Petition for approval of final true-up for FY 2023-24 and determination of ARR and Transmission Charges for FY 2025-26 on 29/11/2024, which was registered as Petition No. 96 of 2024. CSLDC filed the Petition for approval of final true-up for FY 2023-24 and determination of ARR and SLDC Charges for FY 2025-26 on 29/11/2024, which was registered as Petition No. 97 of 2024. CSPDCL filed the Petition for approval of final true-up for FY 2023-24, and determination of ARR and Retail Supply Tariff for FY 2025-26 on 29/11/2024, which was registered as Petition No. 98 of 2024.

In this instant Order, the Commission has undertaken the final true-up for FY 2023-24 and determination of ARR and Tariff for FY 2025-26 for CSPGCL, CSPTCL, CSLDC, and CSPDCL in accordance with the provisions of the MYT Regulations, 2021, as amended.

1.4 Admission of the Petition and Hearing Process

The Petitions filed by CSPGCL, CSPTCL, CSLDC, and CSPDCL were registered on 03/12/2024.

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 suggestions /comments/objections 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) was held on 27/01/2025 and 29/01/2025 with the Petitioners. During the TVS, additional information required for processing of the Petitions was sought from the Petitioners. The Petitioners submitted the additional information sought during TVS.

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

The Public Hearing on the Petitions filed by CSPGCL, CSPTCL, CSPDCL, and CSLDC was held on 19/06/2025, 20/06/2025 and 30/06/2025 in physical as well as through video conferencing. 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 (SAC) of the Commission for their comments.

A meeting of the State Advisory Committee was convened on 18/06/2025 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:

i. Standard Operating Procedure (SOP) of loadshedding and for new Solar connection for industries should be notified and utility should be directed to strictly comply the same.
ii. Looking to the higher availability of Solar power during day time, CSPDCL should explore the possibility for installation of Battery Energy Storage System (BESS) so that same may be used during peak hour.
iii. It is observed that there are frequent outages in power supplied by CSPDCL. Therefore, CSPDCL should be directed to improve power quality and reliability of the power supply.
iv. CSPGCL should explore the use of Variable Frequency Drive (VFD) in their plants to reduce auxiliary consumption.
v. For improving services rendered by CSPDCL, CSPDCL should identify few small areas where problem exist and for improving the same, prepare a time bound plan to address such problems in phased manner. Achievements against such plans should be reviewed in State Advisory Committee meetings.
vi. CSPDCL being similar size as that of Gujarat's DISCOMs, CSPDCL should endeavor to achieve distribution loss comparable with Gujrat.
vii. Connectivity to Solar plants installed by industry should be provided in time bounded manner.
viii. Industries connected at voltage level 132 kV are also facing power cut and frequent interruptions in power supply in spite of the fact that these consumers have invested

huge amount to avail supply at this voltage but unfortunately, they are subjected to frequent load-shedding.

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. Delayed submission of Audited Financial Statement

The Objector submitted that delayed submission of audited financial documents by Chhattisgarh's power utilities (CSPDCL, CSPTCL, CSPGCL, and CSLDC) in their FY 2023-24 true-up petitions. As per the MYT Regulations, 2021, these documents are required to be submitted along with the Petition for proper scrutiny. However, the Utilities submitted them only after the public comments period had closed. This prevented stakeholders like BALCO from analysing the proposals effectively and submitting informed feedback. The objector requested the Commission to rigorously examine the claimed expenses and consider this lapse in procedural compliance during its decision-making.

Petitioner's Reply

CSPDCL, CSPTCL, CSPGCL and CSLDC submitted that they have duly submitted the Auditor's Report for FY 2023-24, the Balance Sheet, and 32 relevant annexures along with the Petition and further submitted that they have provided all additional information requested by the Commission during the scrutiny process, and therefore, the objector's claim is incorrect.

Commission's View

The Commission notes that the Utilities have submitted their tariff petitions along with tariff formats and subsequently submitted Audited Accounts and additional information sought by the Commission. All these documents were made available to the stakeholders for submitting their objections and suggestions. Further, after prudence check of the petition and subsequent submissions, the Commission has determined the ARR and tariff for the petitioner.

2.1.2. Non-availability of Tariff formats of CSPDCL, CSPTCL, CSPGCL and CSLDC in MS Excel formats

The objector submitted that CSPDCL, CSPTCL, CSPGCL, and CSLDC did not submit the Excel-based ARR and Tariff models for FY 2025-26 along with their published tariff petitions. The objector submitted that the absence of these detailed and editable financial models severely limits the ability of stakeholders to conduct a comprehensive analysis of the proposed tariffs. This lack of transparency undermines the effectiveness of the public consultation process. In other States like Maharashtra, Utilities and SERCs routinely provide such Excel formats to enable meaningful stakeholder participation.

The objector requested the Commission to consider this omission while reviewing the petitions and ensure such essential data is made available in future filings.

Petitioner's Reply

CSPDCL, CSPTCL, CSPGCL and CSLDC submitted that they have submitted the required models in MS Excel format along with the petition and the soft copies of these models were also shared with the Commission via email, following the usual practice.

Commission's View

To facilitate the stakeholders for filing objections/suggestions, tariff petitions along with tariff formats, audited accounts and subsequent submissions made by the petitioners have been uploaded in website. This information is adequate for analysing and filing objections/suggestions on the petition. After prudence check of the petition and subsequent submissions, the Commission has determined the ARR and tariff for the petitioner.

2.2 Objections on CSLDC's Petition

2.1.1. Non-submission of actual revenue billed and computation of revenue gap/(surplus)

The Objector submitted that CSLDC's Tariff Petition contains several errors and lacks key financial details, including the actual revenue billed and the computation of the Revenue Gap/(Surplus). This critical information was not provided in the original Petition and was only disclosed later in response to queries raised by the Commission. The objector submitted that such incomplete filing significantly undermines the transparency and effectiveness of the public consultation process. Without access to essential data at the time of submission, stakeholders are unable to accurately evaluate the financial implications of the petition or provide informed feedback.

Petitioner's Reply

CSLDC submitted that it has provided all the relevant information sought by the Commission from time to time. CSLDC further submitted that it consistently follows the directions issued by the Commission and has filed the present Petition in accordance with the provisions of the applicable MYT Regulations.

Commission's View

The Commission has also noted several errors and factual inconsistencies in the original Petition submitted by CSLDC, which required CSLDC to submit a completely revised Petition. CSLDC should improve the quality of its tariff filings and ensure that the Petition filed before the Commission is complete and free from inaccuracies, to the maximum extent possible.

2.2.2. Demand for Transparency and Verification in CSLDC Petition

The objector noted that CSLDC included a previous Surplus of Rs. 2.55 Crore in calculating a small surplus of Rs. 0.87 Crore for FY 2023-24. The objector also highlighted that CSPDCL admitted it recovered Revenue Gap for FY 2021-22 through invoices raised in FY 2023-24 and considered these in power purchase expenses, suggesting that these Gaps should be excluded from the current Revenue

Gap calculation. The objector requested the Commission to scrutinize and validate such claims before approval and issue strict directions to the utility for future Petitions.

Additionally, the objector pointed out a discrepancy in fixed asset capitalization figures for CSLDC between CSPTCL's data (Rs. 5.2338 Crore) and CSLDC's own submission (Rs. 4.93 Crore) and requested the Commission to verify and validate these figures thoroughly before allowing related expenditures.

Petitioner's Reply

CSLDC submitted that it has prepared the Revenue Gap statement as per the prevailing practice and has claimed the Previous Surplus/(Deficit) adjusted with carrying cost up to FY 2023-24 as approved by the Commission in the Tariff Order dated 28.3.2023.

CSLDC submitted that the total actual capitalization for FY 2023-24 as per Balance Sheet is Rs. 5.23 Crore. CSLDC in its true up Petition for FY 2022-23 had deducted the liabilities provision equivalent to Rs. 0.06 Crore, being provision for non-cash payments, which has been now being discharged and hence included in the capitalization for current true-up for FY 2023-24. CSLDC further submitted that the provisional liabilities of Rs 0.37 Crore, corresponding to 7% of capitalized amount has been deducted from the accrual capitalization of Rs. 5.23 Crore. Hence, the final capitalization claimed by CSPDCL for truing up of FY 2023-24 is Rs. 4.93 Crore.

Commission's View

The Commission has noted the objector's concerns and the petitioner's response. After prudence check, the Commission has computed the cumulative Revenue Gap/(Surplus) as per MYT Regulations, 2021 and previous practices adopted by the Commission in the past after analysing the petition and additional information/ submissions. Furthermore, the Commission has addressed the capitalization issue in the relevant chapter of this Order, conducting a thorough examination and verification prior to granting approval.

2.3 Objections on CSPTCL's Petition

2.3.1. Non-availability of Tariff Petition on CSPTCL web site

The Objector submitted that in CSPTCL's Tariff Petition (No. 96 of 2024), several key supporting documents including MS Excel tariff formats, audited financial statements (as required under Regulation 3.1 of the MYT Regulations, 2021), and relevant annexures were not made available on the utility's website. The Objector emphasized that the absence of such critical information hinders stakeholders from properly analysing the proposed tariffs and assessing their financial impact. This lack of transparency, compromises the effectiveness of the public consultation process and prevents stakeholders like BALCO from submitting informed and constructive feedback.

Petitioner's Reply

CSPTCL submitted that it has provided all the relevant information as sought by the

Commission from time to time. CSPTCL further submitted that it has fully complied with the directions issued by the Commission and has filed the present Petition in line with the provisions of the applicable MYT Regulations.

Commission's View

To facilitate the stakeholders for filing objections/suggestions, tariff petitions along with tariff formats, audited accounts and subsequent submissions made by the petitioners have been uploaded in website. This information is adequate for analysing and filing objections/suggestions on the petition. After prudence check of the petition and subsequent submissions, the Commission has determined the ARR and tariff for the petitioner.

2.3.2. Mismatch of Transmission lines length

The objector submitted that it has identified discrepancies in the reported transmission line lengths submitted by CSPTCL in its Tariff Petition for FY 2025-26 compared to the figures available on the CSPTCL official website as of 31^{st} March 2024. While the 400 kV line lengths match (1,917.52 ckt. kms), there are variances in the 220 kV and 132 kV line lenghs, with 220 kV lines reported as 4,085 ckt. km in the petition versus 4,092.53 ckt. kms on the website, and 132 kV lines reported as 7,941 ckt. km versus 7,958.49 ckt. km, leading to a total mismatch of approximately 35 ckt. kms. The objector requested the Commission to scrutinize these discrepancies, especially if any claims affecting the Aggregate Revenue Requirement (ARR) are based on these network parameters, to ensure accuracy and prevent inflated cost projections.

Petitioner's Reply

CSPTCL submitted that figure of Transmission line length mentioned in the petition are accurate. The same will be updated on CSPTCL website.

Commission's View

The Commission directs CSPTCL to publish the most current and accurate transmission line length figures on its website, and to update them regularly to reflect actual data.

2.3.3. CSPTCL's Capital Investment Plan and its Cost Benefit Analysis

The objector submitted that it has raised objections on CSPTCL's Capital Investment Plan (CIP), highlighting the lack of a scheme-wise cost-benefit analysis as mandated under Regulation 7.3 of the MYT Regulations, 2021. While CSPTCL claims its proposed capital expenditure is based on strategic operational assessments and transmission demand forecasts, it has failed to provide any quantitative cost-benefit justification for the projected investments. The objector asserted that the Commission should insist on a detailed scheme-wise analysis including expected benefits like loss reduction, load relief, and financial indicators such as payback period, IRR, and NPV before approving capital expenditure or capitalization for both FY 2023-24 and FY 2025-26.

The objector emphasized the need for verification that assets claimed for capitalization during the true-up period (FY 2023-24) are actually put to use. This should be supported with documentary evidence such as certificates from the Chief

Electrical Inspector or authorized licensee officers and noted that CSPTCL's proposed capitalization of Rs. 764 Crore for FY 2025-26 is more than double its historical annual average of Rs. 350 Crore over the last five years, yet no execution plan or year-wise milestones are provided. The objector submitted that such inflated and unsupported capital investment proposals could unnecessarily increase the ARR and consumer tariffs and requested the Commission reject the incomplete Petition unless proper justification and prudence checks are presented.

Petitioner's Reply

CSPTCL submitted that the contentions and requests made by the objectors are unfounded and without merit. CSPTCL submitted that the Commission may take a prudent decision on these matters. It further submitted that responses to the queries raised have already been submitted to the Commission.

Commission's View

After prudence check, the Commission has approved the capitalization for FY 2023–24 in accordance with provisions of MYT Regulations, 2021. For FY 2025–26, the Commission has not approved CSPTCL's proposed capitalisation, and has considered the capitalisation based on the average capitalization achieved over the last seven financial years, as detailed in the relevant Chapter.

2.3.4. Intra-State Transmission Loss

The objector submitted that the CSPTCL's claim of a higher intra-State transmission loss of 3.51% for FY 2023-24, exceeds both the approved 3% and the actual 3.17% recorded in FY 2022-23. CSPTCL has attributed this increase in transmission losses to lower execution of capital works related to 400 kV, 220 kV, and 132 kV substations and lines under the approved CIP. However, the objector contended that both capital expenditure and regular maintenance play a role in controlling losses, and such justification is insufficient.

Furthermore, for FY 2025-26, CSPTCL has again projected transmission losses at 3.51% without providing any technical basis or supporting rationale despite proposing a substantial capitalization of Rs. 764 Crore. This projection also contradicts CSPDCL's own assumption of 3% intra-State transmission loss for the same year in its Petition. The objector pointed out that while the Commission has previously stated that inter-State comparisons may not always be relevant, the upward trend in CSPTCL's losses contrasts with declining loss levels in other States, warranting independent third-party scrutiny.

The stakeholder also requested the Commission to conduct a detailed diagnostic study of the cost components and loss factors in the Chhattisgarh transmission network. This should include benchmarking CSPTCL's performance and tariffs against topographically similar, better-performing transmission utilities, with the aim of formulating an actionable plan to reduce losses and associated charges.

Additionally, the objector flagged inconsistencies in CSPDCL's Petition regarding intra-State and inter-State transmission charge projections. For FY 2025-26, CSPDCL has alternately quoted Rs. 1,046.66 Crore and Rs. 1,255.42 Crore as intra-State charges, while CSPTCL's ARR claim stands at Rs. 1,374.02 Crore. Given CSPDCL's past admission of classification errors and lack of clarity for FY 2024-25, the stakeholder requested the Commission to thoroughly scrutinize and validate all such claims and issue strict compliance directions to the utilities for future submissions.

Petitioner's Reply

CSPTCL submitted that the projected intra-State transmission loss of 3.51% for FY 2025-26 is based on a realistic assessment, considering several technical and operational factors that influence system performance. Transmission losses are affected by external variables such as rising energy demand within the State, increasing short-term open access transactions, and changing load distribution across the network. Additionally, factors like variations in power factor, load cycles, operating temperatures, and system frequency contribute to fluctuations in loss levels, many of which are beyond CSPTCL's direct control.

CSPTCL submitted that it is continuously implementing system improvement measures to reduce losses. These include the installation of capacitor banks, double circuiting of critical EHV lines, and timely execution of various system strengthening works. The construction of new EHV substations and transmission lines, with prior approval from the Commission, also forms part of CSPTCL's network enhancement efforts.

CSPTCL emphasized that as a result of these sustained initiatives, it has steadily reduced transmission losses from 5.22% in FY 2007-08 to 3.51% in FY 2023-24, aligning with the Commission's approved loss trajectory. For FY 2025-26, CSPTCL has proposed significant capital expenditure of Rs. 764 Crore to further modernize and strengthen the transmission network. CSPTCL clarified that the projected loss figure remains conservative, considering operational uncertainties, and CSPTCL remains committed to achieving further loss reduction through the efficient execution of its capital investment plans and system optimization strategies.

Commission's View

The Commission has analysed the information submitted by CSPTCL for computation of transmission loss for FY 2023-24 and found that transmission loss computed by CSPTCL is correct. MYT Regulations 2021 specifies transmission loss as uncontrollable factor; therefore, the Commission has accepted the transmission loss for FY 2023-24 as submitted by CSPTCL. The Commission has approved an intra-State transmission loss target of 3 % for FY 2025–26, in line with the loss levels approved for the Control Period from FY 2022–23 to FY 2024–25 in the MYT Order dated 13 April 2022, as elaborated in the relevant chapter of this Order.

2.4 Objections on CSPDCL's Petition

2.4.1. Non-compliance to Directives issued

The objector submitted that CSPDCL has failed to comply with the Commission's directive issued in the Tariff Order dated 1st June 2024, which required the inclusion of a dedicated Chapter on compliance of directives in future ARR and Tariff Petitions, along with quarterly status reports. CSPDCL's current Petition does not include this mandated Chapter or any related submission. The objector therefore, requested the

Commission to initiate necessary action against CSPDCL under Section 142 of the Electricity Act, 2003 for non-compliance.

Petitioner's Reply

CSPDCL submitted that it has duly submitted the quarterly compliance reports of the directives. The submissions were made as follows: Q1 vide letter no. 2641 dated 29.12.2023, Q2 vide letter no. 02 dated 01.04.2024, Q3 vide letter no. 01 dated 01.04.2024, and Q4 vide letter no. 1871 dated 13.08.2024. However, CSPDCL acknowledged that a dedicated chapter on these compliances was not included in the Petition.

Commission's View

The Commission has noted the objection and CSPDCL's response and hereby directs the Petitioner to ensure to include a separate Chapter on compliance of directives in future Tariff Petitions, accompanied by quarterly status reports.

2.4.2. Non-segregation of accounts

The Objector submitted that CSPDCL has not complied with Regulation 80 of the MYT Regulations, 2021, which mandates segregation of accounts between its wheeling (distribution wires) and retail supply business. Despite the end of the MYT Control Period and regulatory requirements to compute ARR and wheeling charges based on separated accounts or an allocation matrix, CSPDCL neither presented a separate ARR nor included wheeling charge computations in its published Petition. These were submitted only later in response to queries from the Commission. The objector requested the Commission to issue strict directions to CSPDCL for this serious lapse in regulatory compliance.

Petitioner's Reply

CSPDCL submitted that based on available information, distribution wheeling and retail supply businesses have not been bifurcated in any other State, and thus, no precedent exists. CSPDCL submitted that such bifurcation is a complex process requiring detailed mapping of assets across DCs, Divisions, Circles, and Regions, along with complete metering on all 33 kV/11 kV feeders and Distribution Transformers (DTRs) to accurately capture energy flow and losses. Although metering is currently in place for all 33 kV feeders, it is not yet available for all DTRs and 11 kV feeders. Due to these challenges, the bifurcation has not been carried out.

Commission's View

The Commission has noted the objector's submission and CSPDCL's response and directs the petitioner to submit the claimed expenses separately, clearly bifurcated for each business, i.e., distribution wires and retail supply, for each head of ARR.

2.4.3. Variation in Energy Sales for FY 2023-24

The objector submitted that while energy sales are generally treated as uncontrollable, the Commission should seek a detailed explanation from CSPDCL for the significant deviations observed between approved and actual sales for FY 2023-24 across key consumer categories. Specifically, the objector has highlighted that actual sales were higher than approved in categories such as ‘Agriculture Metered’, ‘Public Utilities’, ‘HV-Steel Industries’, and ‘LV-Temporary’, while sales were lower than expected in the ‘Domestic’, ‘Mines (Coal & Others)’, and ‘Other Industry & General Purpose Non-Industrial’ categories. The objector requested the Commission to evaluate these variations critically before approving the final sales figures.

Petitioner’s Reply

CSPDCL submitted that as the sales mix is categorized as an uncontrollable factor under the MYT Regulations 2021. Therefore, providing an explanation for variations in the sales mix is not required. Additionally, CSPDCL submitted that the category-wise sales figures have been reported based on the audited accounts (R15).

Commission’s View

The Commission observes that sales are treated as an uncontrollable factor under Regulation 11.1 of the MYT Regulations, 2021. Also, the Commission has verified the actual sales data from submitted R15 and revenue is verified from the audited accounts. Furthermore, based on the best available information and historical sales data, the Commission has approved the projected sales figures for the coming year. However, actual sales may vary vis-à-vis projected and approved values, due to unforeseen circumstances.

2.4.4. Distribution Loss and Energy Balance for FY 2023-24

The Objector submitted that there are discrepancies in the figures submitted by CSPDCL regarding 'Distribution Loss below 33 kV'. The distribution loss is shown as 5,404.21 MU (17.42%), whereas in Annexure M5, it is reported as 4,522.49 MU (15.00%). This inconsistency also leads to variations in the Energy Balance and Energy Requirement figures across the two sections. The objector requested the Commission to scrutinize these discrepancies and direct CSPDCL to provide clear justifications for the deviation from the approved loss levels. The petitioner also requested the Commission to ensure that the correct and verified data is considered while determining the final figures.

The objector submitted that CSPDCL has significantly under-reported distribution losses (claimed at 14-15%) while actual losses are higher, distorting cost and tariff assessments.

Petitioner’s Reply

CSPDCL submitted that due to an oversight, Format M5 intended for projecting total power purchase quantum for FY 2025-26 was inadvertently submitted, which is regretted. However, CSPDCL confirmed that the distribution loss computation in the Petition has been correctly considered as 17.42% in Table No. 4. It further affirmed that the information submitted with the Petition is accurate and should be considered accordingly.

Commission’s View

The Commission has thoroughly analysed the data provided in the Petition and additional submissions, and accordingly approved the distribution loss for FY 2023-24 and FY 2025-26 as detailed in the relevant Chapters of this Order.

2.4.5. Power Purchase Expenses for FY 2023-24

The Objector submitted that there are several inconsistencies and potential inaccuracies in the power purchase cost data submitted by CSPDCL in its Petition. First, there is a mismatch in the short-term power purchase cost from IEX reported as Rs. 329.79 Crore in Table 7 and Rs. 193.96 Crore in Annexure M3. Additionally, CSPDCL has included a Rs. 135.83 Crore delayed payment surcharge under power purchase expenses, which the objector submitted is disallowed under Regulation 29.1 of the MYT Regulations, 2021. Another concern is the double accounting of Rs. 538.04 Crore related to Revenue Gap from FY 2021-22, which appears both under power purchase cost from CSPGCL and in the overall revenue gap computation. The objector also questioned the claim of Rs. 145.91 Crore under “Other RE cost (Solar Rooftop banking)” with no supporting quantum data, and flagged discrepancies in inter-State and intra-State transmission charges versus approved figures. The objector requested the Commission to conduct a thorough scrutiny of all power purchase cost components and eliminate inflated or non-compliant claims to ensure accurate tariff determination.

Petitioner’s Reply

CSPDCL submitted that the short-term power purchase cost of Rs. 329.79 Crore, as filed in the Petition, has been correctly bifurcated in Annexure M3 into Rs. 193.96 Crore towards short-term power purchase and Rs. 135.83 Crore towards delayed payment surcharge, matching the total amount reported. CSPDCL requested that the Commission examine and consider the matter in line with prudence and the applicable regulatory framework. CSPDCL further submitted that the Commission had raised clarifications on this issue during data gap queries, and the necessary corrections were made and submitted accordingly. These revised responses have also been uploaded on the Commission’s website for reference.

Additionally, CSPDCL submitted that a separate entry of Rs. 145.91 Crore under 'Other RE cost (Solar Rooftop Banking)' was initially included but was later removed from power purchase expenses to avoid duplication, as it was already part of the reported power purchase costs. CSPDCL submitted that there was a misclassification between inter-State and intra-State transmission charges in the Petition, but the total transmission charges remained unchanged and had no impact on the Revenue Gap. CSPDCL confirmed that the amended tables submitted are based on actual audited accounts, with no over-reporting or misreporting of details, and that the power purchase costs reflected in the petition are accurate as per the audited records.

Commission’s View

The Commission has noted the submission of objector and CSPDCL’s response. The Commission has already pointed out the various inconsistencies and mismatch of data and raised clarifications on this issue through the data gaps. Based on the replies and additional submissions received from the petitioner, the Commission has verified and accordingly approved the power purchase expenses after due prudence check, as elaborated in the relevant Chapter of this Order.

2.4.6. Deviation in approved vs. actual power purchase

The objector has objected to the substantial deviations between the approved and actual power purchase costs submitted by CSPDCL across various sources for FY 2021-22 to FY 2023-24.

a) Short-Term Power Purchases: Approved rates were Rs. 3.37/kWh (FY 2021-22), whereas CSPDCL's actual costs rose as high as Rs. 8.84/kWh in FY 2021-22 and remained elevated at Rs. 7.10/kWh in FY 2023-24.

b) Other Renewable Energy: Approved rates dropped to Rs. 2.84/kWh in (FY 2023-24), but actual claims rose to Rs. 5.37/kWh for the same year.

c) Central Generating Stations: Actual rates have steadily increased from Rs. 3.90/kWh (FY 2021-22) to Rs. 4.02/kWh (FY 2023-24), exceeding Commission-approved benchmarks.

d) Concessional Power from CSPTCL: For (FY 2023-24), the approved cost was Rs. 1.86/kWh, but CSPDCL reported a higher rate of Rs. 2.30/kWh for 3,233 MU.

e) Surplus Power Sales: CSPDCL earned only Rs. 4.27/kWh in (FY 2023-24) against the approved rate of Rs. 5.17/kWh, reducing revenue and increasing the net cost burden on consumers.

f) Overall, Power Purchase Cost:

- FY 2021-22: Approved cost - Rs. 14,446 Crore (Rs. 3.86/kWh); Actual - Rs. 15,792 Crore (Rs. 4.19/kWh)
- FY 2022-23: Approved - Rs. 15,623 Crore (Rs. 3.79/kWh); Actual - Rs. 17,592 Crore (Rs. 4.47/kWh)
- FY 2023-24: Approved - Rs. 15,822 Crore (Rs. 3.94/kWh); Actual - Rs. 19,960 Crore (Rs. 4.39/kWh)

The objector attributed this Rs. 4,100 Crore escalation in FY 2023-24 alone to CSPDCL's inefficient power procurement and deviation from approved planning and requested the Commission to conduct a realistic reassessment of CSPDCL's power purchase projections for FY 2025-26 and disallow any cost overruns, especially due to imprudent procurement or deviation from regulatory norms.

The objector submitted that the power purchase rate shown in the Petition (Rs. 3.81/unit) is misleading as actual procurement has cost up to Rs. 4.53/unit, affecting the transparency of the ARR.

Petitioner's Reply

CSPDCL submitted that the power purchase details submitted in the petition are based on actual audited accounts and further explained that the power purchase costs approved in the tariff order are estimations derived from existing trends and past actual expenditures, which are adjusted for real-time events. CSPDCL submitted that actual power purchase costs can vary due to factors such as changes in demand, power availability, cost-benefit considerations, and variations in the power purchase mix.

CSPDCL also submitted that it procures the majority of its power from long-term agreements with State Generating Stations (CSPGCL), Central Generating Stations (like NTPC), Biomass Generators, and Renewable Energy Generators. Short-term power purchases are made only as an emergency measure and are secured through competitive rates.

Regarding concessional power, CSPDCL submitted that the procurement rates for such power are fixed by the Commission. Additionally, any surplus power is sold through Power Exchanges, where the rates are governed by prevailing market demand and are beyond CSPDCL's control.

CSPDCL further submitted that all projections and assumptions, based on historical data, past trends, and anticipated commissioning of new plants, have been properly furnished to the Commission and also clarified that the increase in UI (Unscheduled Interchange) purchase costs was primarily due to unforeseen spikes in electricity demand. CSPDCL assured that it is actively working to improve demand forecasting and planning to optimize future power procurement and minimize such costs. Therefore, it submitted that the UI purchases made were both reasonable and necessary.

Commission's View

The Commission has verified the details provided by CSPDCL and has accordingly approved the cost of power purchased in the final true-up for FY 2023-24 after due prudence check, as elaborated in the respective Chapter of this Order. It may also be appreciated that the power purchase rate for the ensuing year approved in the Tariff Order is an estimation based on available data at that point of time. While best efforts are always made to estimate the power purchase cost precisely and also realising the fact that power purchase cost is an uncontrollable item, there is always the chance that the actual power purchase cost will vary than that as estimated in the tariff order.

2.4.7. Transmission Charges for FY 2023-24

The Objector submitted that there is a discrepancy in the reported transmission charges for FY 2023-24. While the audited accounts of CSPDCL reflect transmission charges of Rs. 2,307.71 Crore, the amount claimed in the Tariff Petition by CSPDCL is Rs. 2,204.42 Crore. The mismatch of Rs.103.29 Crore raises concerns about accuracy and transparency in cost reporting.

The objector further noted that the Commission had already trued-up Rs. 2,071.79 Crore as transmission charges for FY 2022-23. Considering these inconsistencies, BALCO requested the Commission to scrutinize the transmission cost figures submitted in the Petition and ensure only verified and consistent data is considered for tariff determination.

Petitioner's Reply

CSPDCL submitted that it has provided a reconciliation of transmission charges as per Note 23 of the Balance Sheet and as presented in the Petition. The reconciliation highlighted that the Delayed Payment Surcharge of Rs. 135.34 Crore was reported under short-term power purchase/IEX in the Petition, while in the financial statements it was included under transmission charges. Additionally, a refund of Rs. 32.03 Crore from MBPCL was treated as a reduction from hydel power purchase in the Petition, although it was shown under transmission charges in the financial statements.

CSPDCL submitted that there is no difference in the total power purchase cost reported in the financial statements and in the Petition. The variations are only due to classification differences and there has been no overstatement or misstatement of costs in either submission. CSPDCL submitted that these clarifications be taken into consideration.

Commission's View

The Commission has approved the transmission charges based on the petition audited accounts and additional submissions as a reply to the Commission's query, without considering delayed payment surcharge, as elaborated in the relevant Chapter of this Order.

2.4.8. Operation and Maintenance Expenses for FY 2023-24

The Objector submitted that there are few discrepancies/issues related to O&M expenses for FY 2023-24. The Objector questioned the claim of Rs. 14.68 Crore under 'Miscellaneous Expenses' within A&G expenses and requested a detailed break-up and scrutiny of the same. Secondly, it highlighted a sharp increase in Repair & Maintenance (R&M) expenses, which rose to Rs. 444.57 Crore, which is significantly higher than the Commission approved value of Rs. 261.95 Crore and also exceeding previous actuals of Rs. 390 Crore (FY 2021-22) and Rs. 319 Crore (FY 2022-23). Lastly, the objector has objected to any inclusion of Corporate Social Responsibility (CSR) expenses in the ARR, citing past Commission rulings that such costs must be borne out of the utility's profits, and not be recovered through tariffs and requested that all such unexplained or inadmissible expenses be disallowed.

Petitioner's Reply

CSPDCL submitted that it had already submitted the detailed break-up of the Rs. 14.68 Crore under 'Miscellaneous Expenses' within A&G expenses to the Commission in response to the additional information sought by the Commission. The head-wise details were provided in a separate sheet, which was also made available on the Commission's website.

Regarding the observation on the increase in R&M expenses, CSPDCL submitted that the reported R&M costs are based on actual expenditure as per audited accounts, whereas the figure of Rs. 261.95 Crore approved in the tariff order is normative. CSPDCL further submitted that the detailed break-up of R&M expenses was submitted in Technical Format "F-14" along with the tariff petition. Since R&M expenses fall under controllable factors as per MYT Regulations 2021, the excess expenditure is subject to the sharing of gains and losses mechanism, whereby only one-third of the excess cost is passed on through the tariff, and the remaining two-thirds is borne by CSPDCL.

On the concern regarding CSR expenses, CSPDCL submitted that it has been incurring financial losses over the past several years and, consequently, did not spend any amount on CSR activities during FY 2023-24. CSPDCL assured that no CSR expenses have been included under any expense head in the true-up ARR for the said year, and therefore, there is no question of disallowing such expenses.

Commission's View

The Commission had sought a detailed break-up of the Rs.14.68 Crore against "Miscellaneous Expenses" under the A&G expense head from CSPDCL. After prudence check, the Commission has approved the A&G expenses and R&M expenses as detailed in the respective chapter of this Order.

2.4.9. Depreciation

The Objector submitted that CSPDCL's petition does not clarify whether depreciation on new assets has been calculated in accordance with Regulation 25.7 of the MYT Regulations, 2021, which mandates that depreciation in the first year should be charged on a day-wise, pro-rata basis and subsequently on the average asset base. Additionally, CSPDCL has not provided any explanation or computation methodology for the weighted average depreciation rate of 5.57% claimed in the petition. The objector requested the Commission to seek asset-class-wise depreciation details and ensure compliance with regulatory provisions before approving the depreciation expenses.

Petitioner's Reply

CSPDCL provided clarification regarding the basis of depreciation calculation in response to the Commission's observation. It submitted that, as per Regulation 25.7 of the MYT Regulations 2015, depreciation for new assets is charged on a pro-rata basis from the date the asset is declared under commercial operation. From the subsequent financial year, depreciation is calculated on the written-down value of the asset each year.

CSPDCL submitted that the average depreciation rate calculation was submitted to the Commission in the depreciation table. The detailed table includes opening Gross Fixed Assets (GFA), capitalization during the financial year, closing GFA, average GFA, and the applicable depreciation rates for various asset categories such as land, buildings, roads, plant and machinery, lines and cable networks, vehicles, office equipment, and computers. The weighted average depreciation rate has been calculated as 5.57%.

CSPDCL further submitted that the values for opening GFA, capitalization, closing GFA, and depreciation rates have been cross verified with the Company's audited books of accounts and were found to be accurate.

Commission's View

The Commission has approved the depreciation in accordance with Regulation 25 of the MYT Regulations, 2021 as detailed in the respective Chapter of this Order.

2.4.10. Contribution to Pension and Gratuity for FY 2023-24

The Objector, referring to the increased claim of Rs. 895.21 Crore by CSPDCL towards Pension and Gratuity for FY 2023-24, as against the approved amount of Rs. 768.40 Crore in the tariff order dated 28 March 2023, submitted that CSPDCL has not provided any justification for this significant hike in its original petition and only submitted supporting details, including the valuation report, later in response to queries from the Commission. The objector requested the Commission to thoroughly scrutinize the justification and valuation submitted before allowing the increased claim in the ARR.

Petitioner's Reply

CSPDCL submitted that the Commission, as part of the data gap process, raised a query regarding the contribution to Pension and Gratuity for FY 2023-24. CSPDCL has submitted a detailed reply on this matter, which has also been uploaded on the Commission's website for reference. Accordingly, the necessary information has already been provided.

Commission's View

The Commission has approved the actual Pension and Gratuity expenses for FY 2023-24 as, detailed in the respective chapter of this order.

2.4.11. Non-Tariff Income for FY 2023-24

The Objector submitted that CSPDCL submitted a detailed break-up of 'Other Income' amounting to Rs. 110.13 Crore in response to a query from the Commission, however, the audited accounts under Note No. 22 report an additional Rs. 240 Crore as 'Unwinding of Interest Income.' CSPDCL has not provided any explanation for why this substantial income was not included in the ARR under 'Other Income'. The objector requested the Commission to scrutinize this omission and ensure that all legitimate income, including the unwinding of interest, is properly accounted for before finalizing the revenue requirement.

Petitioner's Reply

CSPDCL submitted that the amount reported under Note No. 22 of the audited accounts as "Unwinding of Interest Income" primarily relates to the interest income arising from Late Payment Surcharge (LPS) and other receivables. This is recognized in accordance with IND AS 109, which requires the recognition of the time value of money through discounting and subsequent unwinding of financial assets, as reflected in the audited financial statements.

However, CSPDCL submitted that such income is notional in nature and, as per the applicable MYT Regulations, notional incomes like interest on LPS or delayed receivables are not considered for inclusion in the ARR or in the true-up process. The regulatory framework recognizes only realized, cash-based income, not accrual-based or notional incomes, and excludes such amounts as per fair value adjustments required under IND AS.

Therefore, CSPDCL submitted that this amount was appropriately excluded from the break-up of 'Other Income' submitted to the Commission, in compliance with regulatory provisions and in line with established regulatory practice.

Commission's View

The Commission has approved Non-Tariff Income for FY 2023-24 after due prudence check in accordance with the MYT Regulations, 2021 and based on the approach adopted by the Commission in previous tariff orders. The details are provided in the relevant chapter of this order.

2.4.12. Computation of Revenue Gap/Surplus for FY 2023-24

The Objector submitted that there are critical errors and inconsistencies in CSPDCL's computation of the Revenue Gap in its Tariff Petition. In Table 25, CSPDCL has mentioned a standalone Revenue Gap of Rs. 1,347.71 Crore, but this amount has not been added to the final 'Closing Revenue Gap' of Rs. 5,564.93 Crore, with no explanation provided. This appears to be a calculation oversight. Additionally, CSPDCL has included a previously approved gap of Rs. 587 Crore for CSPGCL, CSPTCL, and CSLDC from FY 2021-22 in its power purchase expenses for FY 2023-24 and later suggested it can be ignored for Revenue Gap calculation raising serious concerns about internal consistency and transparency. The objector asserted that these errors present a misleading financial picture to stakeholders and reflect a casual and non-compliant approach by CSPDCL, despite repeated directions from the Commission to ensure accuracy in petitions.

Petitioner's Reply

CSPDCL submitted that the amount of Rs. 1347.71 Crore shown under "Add: Standalone Revenue Gap/ (Surplus)" in Table 25 was a typographical error and was not considered in the final revenue gap calculation. CSPDCL requested that this incorrect figure be disregarded and confirmed that the corrected Table 25 was submitted in response to the data gap queries. CSPDCL also assured that greater care and thorough verification will be ensured in future submissions to prevent such inadvertent errors.

Commission's View

The Commission had already raised a query regarding the amount of Rs. 1347.71 Crore shown under "Add: Standalone Revenue Gap/(Surplus)" in Table 25, to which the Petitioner has responded, stating that it was an inadvertent error.

The Commission has approved the Revenue Gap/Surplus for FY 2023-24 based on the submitted Petition and the reply to the data gaps, as detailed in the relevant chapter of this Order.

2.4.13. Additional Revenue for Agriculture

The Objector submitted that it has flagged high levels of assessed billing and defective meters among LV consumers in FY 2023-24, especially in the Domestic and Agriculture categories. This has led to significant under-recovery in revenue, with the average energy charge billed at Rs. 4.22/kWh compared to the approved Rs. 5.05/kWh resulting in an estimated shortfall of Rs. 614 Crore. The objector requested the Commission to assess revenue impacts using alternative methods and direct CSPDCL to urgently address metering inefficiencies.

Petitioner's Reply

CSPDCL submitted that the Commission, through its letter dated 30.12.2024, had raised the issue regarding agricultural consumption and directed CSPDCL to submit the required details in the prescribed format. CSPDCL has submitted a detailed response to this query, which has also been uploaded on the Commission's website for reference.

Commission's View

The Commission has approved the revenue, including the notional revenue from agricultural consumers, as detailed in the respective chapter of this Order. The Commission directs CSPDCL to submit the details of assessed billing and take necessary action to rectify the defective meters among LV consumers at the earliest.

2.4.14. Distribution Loss

The Objector submitted that CSPDCL has failed to revise its distribution loss trajectory in line with targets set under the Revamped Distribution Sector Scheme (RDSS) and directives of the Commission. While the MYT Order prescribed a progressive distribution loss reduction from 15.67% (FY 2022-23) to 15% (FY 2024-25), RDSS mandates reducing AT&C losses to 13.10% by FY 2024-25. Despite this, CSPDCL has retained a static distribution loss level of 15% for FY 2025-26 in its Petition, without factoring in the anticipated impact of significant RDSS-related investments. The objector emphasized that given the scale of infrastructure improvements and metering upgrades under RDSS, the target for FY 2025-26 should be tightened to at least 14.50%. The objector also pointed out that CSPDCL has not submitted the required division-wise quarterly loss reduction targets and progress reports, as directed by the Commission, and requested the Commission to enforce compliance and adjust the trajectory accordingly.

Petitioner's Reply

CSPDCL submitted that the distribution loss figures used in the Petition are based on the values approved by the Commission in the Tariff Order dated 01.06.2024, as these are the latest available benchmarks. In the absence of specific projections for the relevant financial year, CSPDCL adopted these approved figures to maintain consistency and regulatory compliance, while acknowledging that the Commission may revise them based on its prudence and judgement.

CSPDCL further submitted that the impact of the ongoing RDSS project on distribution losses is currently minimal as the project is still under implementation. Additionally, CSPDCL stated that division-wise targets for T&D and AT&C loss reduction have been fixed and are regularly reported to the Commission through quarterly compliance submissions. For FY 2024-25, CSPDCL confirmed that quarterly reports have been submitted as follows: Q1 and Q2 (June 2024 to September 2024) vide letter no. 3054 dated 06.12.2024, and Q3 (October 2024 to December 2024) vide letter no. 475 dated 09.05.2025.

Commission's View

Considering the past performance of CSPDCL, the distribution loss trajectory specified by the Commission in the previous MYT Order 2022, and the infrastructure improvements and metering upgrades proposed under RDSS by CSPDCL, the Commission has approved the distribution loss target below 33 kV for FY 2025-26 as 14%, as detailed in the respective chapter of this Order.

2.4.15. Sales Projection and Power Purchase

The Objector submitted based on historical sales trends and realistic growth patterns, the projected electricity sales for FY 2025-26 by CSPDCL particularly in the LV-1

Domestic, LV-3 Agriculture, and HV-3 Industrial categories appear overstated. It requested the Commission to revise these projections downward by considering actual sales data up to FY 2023-24 or at least up to December 2024.

Additionally, CSPDCL has projected procurement of 1,784 MU from five upcoming large hydro projects at an average cost of Rs. 4.42/unit. However, since these projects (Parbati-II, Teesta-VI, Subansiri, Pakaldul, Ratle) are scheduled for commissioning between December 2024 and February 2026, the objector requested the Commission to approve power purchase from these sources only after a realistic assessment of their actual commissioning timelines.

Similarly, CSPDCL has projected procurement from 1,970 MW of new renewable energy (RE) capacity expected to be commissioned between December 2024 and July 2025. The objector requested that CSPDCL be directed to furnish project-wise and procurer-specific details such as tendering progress, project execution status, SCOD, and PPA/PSA documentation. The Commission is requested to scrutinize these assumptions before approving the associated power purchase projections.

Petitioner's Reply

CSPDCL submitted that the Compound Annual Growth Rate (CAGR) for a period of 3 to 5 years was considered based on established practice and prudent judgement, with conscious exclusion of abnormal growth rates. However, CSPDCL submitted that the Commission may review and approve the projections after its own prudence check.

Further, CSPDCL submitted that all Power Purchase Agreements (PPAs) entered into with power producers are duly approved by the Commission, rendering the objector's concern invalid.

Additionally, CSPDCL submitted that the requested information has already been submitted in response to the Commission's queries.

Commission's View

The Commission has projected the sales for CSPDCL based on the CAGR of actual sales for different periods observed in the past five years, i.e., FY 2018-19 to FY 2023-24, and after considering the actual category-wise sales for the first 11 months of FY 2024-25, for projecting the sales for FY 2025-26, as elaborated in the relevant chapter of this order.

2.4.16. Transmission Charges for FY 2025-26

The Objector submitted that there are discrepancies in CSPDCL's projection of inter-State transmission charges for FY 2025-26. While CSPDCL claims to have based its projection on the actual charges of FY 2023-24, the Petition shows projected inter-State transmission charges of Rs.1,255.42 Crore significantly higher than the actuals of Rs. 997.23 Crore. The objector suspected a possible interchange of inter- and intra-State transmission charge estimates and requested the Commission to scrutinize this inconsistency carefully.

Moreover, the objector noted that the projected power procurement from central generating stations (CGS) in FY 2025-26 is lower (16,108 MU) compared to FY 2023-24 (19,689 MU), yet CSPDCL has projected higher inter-State transmission costs. Considering only Rs. 634.71 Crore was incurred in inter-State transmission charges from April to November 2024, the objector requested the Commission to thoroughly examine the assumptions and projections made by CSPDCL to ensure accuracy and avoid overestimation of expenses.

Petitioner's Reply

CSPDCL submitted that it had already submitted the methodology for computing inter-State transmission charges in response to the Commission's queries.

CSPDCL further submitted that for FY 2023-24, the reported power purchase quantum was 17,136.66 MU from Central Generating Stations (CGS) and 19,688.97 MU from State Generating Stations (SGS). For FY 2025-26, the projected power purchase from CGS is estimated at 16,107.87 MU. CSPDCL explained that this projection is based on its allocated share in the net generation, which is calculated after deducting auxiliary consumption from gross generation. The gross generation estimate was derived using the average Plant Load Factor (PLF) observed from April 2024 to October 2024 (FY 2024-25). CSPDCL noted that using net generation as the basis for projection has resulted in a comparatively lower projected quantum.

Commission's View

The Commission has thoroughly examined the assumptions and projections made by CSPDCL. The intra-State transmission charges and CSLDC Charges have been considered based on the Tariff approved for CSPTCL and CSLDC, respectively, for FY 2025-26. The inter-State transmission charges have been considered based on the actuals for the first 11 months of FY 2024-25.

2.4.17. Sale of Surplus Power

The Objector raised concerns regarding CSPDCL's approach to estimate surplus power sales and the associated revenue assumptions. Although CSPDCL claims that surplus energy sales are outside the regulatory purview and are conducted to maximize returns for retail consumers, the objector pointed out that the projected sale rate of Rs. 4.27/unit is lower than the gross power purchase cost of Rs. 4.44/unit, indicating potential losses. Additionally, the average realized sales rate for FY 2024-25 (till December 2024) is Rs. 3.67/unit, and even in FY 2023-24, the actual sale rate was only Rs. 4.27/unit against an approved rate of Rs. 5.17/unit. Considering this, the objector suggested that the Commission consider a more realistic surplus sale rate of Rs. 4.00/unit for FY 2025-26.

The objector further emphasized CSPDCL's responsibility for efficient power purchase planning and called for a redesign of Time-of-Day (ToD) tariff slots to align better with power availability and recommended that CSPDCL actively pursue surplus power sales through optimized short-term and medium-term strategies, including bilateral contracts and Power Exchanges. To improve efficiency, the objector requested the Commission to direct CSPDCL to adopt advanced software tools for load forecasting, power trade management, and portfolio optimization practices already followed by other utilities. Additionally, CSPDCL should explore floating tenders for surplus power sales to other States to minimize overall procurement costs.

Petitioner's Reply

CSPDCL submitted that surplus power is already being sold through Power Exchanges at prevailing market rates. Additionally, CSPDCL has entered into power banking arrangements with other DISCOMs, which allow for return of power when required by CSPDCL. To further enhance power procurement efficiency, CSPDCL informed that it has engaged an Energy Portfolio Management (EPM) consultant in February 2025 to assist in activities such as power cost optimization and strategic planning.

Commission's View

The Commission has considered the sale of surplus power based on the energy balance and the projected surplus available for FY 2025-26. The rate for the sale of surplus power has been considered at the actual average rate of FY 2023-24, i.e., Rs. 4.27/kWh.

2.4.18. Incomplete Tariff Proposal

The Objector objected to the incomplete nature of CSPDCL's tariff petition, highlighting that despite regulatory requirements, CSPDCL has not submitted a detailed, category-wise retail tariff proposal along with its true-up petition. Instead, CSPDCL has merely proposed a uniform tariff hike across all consumer categories to bridge the projected Revenue Gap, without specifying changes to the existing terms and conditions of supply. In response to a query by the Commission, CSPDCL admitted that the detailed tariff structure is still under preparation.

The objector submitted that in the absence of such critical information, the petition should not have been admitted or published for public consultation, as stakeholders are unable to evaluate the impact of the proposal or provide informed feedback. This lack of transparency renders the consultation process ineffective. The stakeholder therefore requested the Commission to either reject the incomplete petition or not approve any tariff increase proposed by CSPDCL, especially in the absence of justified and structured tariff design.

Petitioner's Reply

CSPDCL submitted that the allegation made by M/s. BALCO is incorrect and misplaced. CSPDCL submitted that its Petition for the true-up of FY 2023-24, determination of ARR, and retail tariff for FY 2025-26 was complete in all respects. Additionally, all relevant documents and data requested by the Commission were provided promptly.

CSPDCL further submitted that it is fully within its regulatory rights to submit additional proposals even after the original Petition has been filed. All submissions made by CSPDCL have also been duly uploaded on the Commission's website, ensuring transparency. Therefore, the objection regarding the public consultation process is unfounded.

CSPDCL emphasized that the determination of retail tariffs falls solely under the jurisdiction of the Commission as per Section 62(3) of the Electricity Act, 2003.

CSPDCL respectfully requested the Commission to issue the Tariff Order while ensuring adequate protection of CSPDCL's ARR.

Commission's View

The Commission has adjusted the Revenue Gap/(Surplus) arrived at based on final true-up of FY 2023-24, with the stand-alone Revenue Gap/(Surplus) of FY 2025-26, and the tariffs have been designed based on the cumulative Revenue Gap/(Surplus) as per the methodology adopted in previous Tariff Orders, as elaborated in the relevant Chapter of this Order.

2.4.19. Cross-Subsidy surcharge

The Objector submitted that there is a substantive issue regarding the methodology adopted by the Commission for computing the Cross-Subsidy Surcharge (CSS), as per Regulation 33(6)(b)(iii) and (iv) of the CSERC (Connectivity & Intra-State Open Access) Regulations, 2011. The Regulation requires CSS to be calculated as the difference between the average tariff for the subsidizing category at a particular voltage level and the licensee's Average Cost of Supply (ACoS). However, the objector pointed out that there has been inconsistency in the treatment of revenue from surplus power sales, as in the ARR-based Tariff Orders this revenue is deducted from gross power purchase cost, in True-up Orders it is shown separately. This leads to differing ARR computations and ultimately affects the calculated ACoS year-to-year.

The objector submitted that such treatment has led to inflated ACoS and, in turn, an over-recovery of CSS by CSPDCL. For instance, based on the true-up figures, CSS turns negative (e.g., -Rs. 0.94/unit in FY 2021-22), implying no surcharge was due. Yet, approved values reflect a positive surcharge (e.g., Rs. 0.88/unit), causing financial impact to BALCO.

Moreover, the objector cited APTEL's directive emphasizing that CSS should be determined based on voltage-wise cost of supply, given that consumers connected at higher voltages (like 132 kV and 220 kV) do not use lower voltage infrastructure and thus incur lower costs. The objector requested the Commission to shift to a voltage-wise cost of supply methodology for computing CSS to reflect actual system usage more accurately. Additionally, the stakeholder suggested that the Commission initiate the necessary regulatory process to incorporate this change in future CSS determinations.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The Commission has approved the CSS as per the methodology adopted in previous Tariff Orders as elaborated in the relevant Chapter of this Order. The treatment of Revenue from Sale of Surplus Power has been revised to ensure consistency, and such Revenue has been shown under Revenue in the true-up of FY 2023-24 as well as the ARR/Tariff for FY 2025-26, as elaborated in the relevant Chapter of this Order.

2.4.20. Power Factor Rebate

The Objector (Elevar Digital Infrastructure Pvt. Ltd.) submitted that they pay approximately Rs. 100 Crore annually to CSPDCL but face recurring issues with electricity billing. The objector operates 1,074 mobile tower connections, each with a sanctioned load of less than 15 kW, and maintain a power factor (PF) of 0.95 or higher. However, they are not receiving any PF rebate.

The objector pointed out that the CSPDCL Tariff Order for FY 2024-25 does not explicitly deny PF rebate to connections below 15 kW, yet CSPDCL officials are refusing the rebate due to a lack of clarity in the Tariff Order. Despite a presentation to CSPDCL officials on March 19, 2025, the issue remains unresolved, and CSPDCL has advised them to seek clarification or a corrigendum from the Commission for the rebate to be implemented through the billing system.

The objector requested the Commission to review the matter and issue clear guidance so that PF rebate or penalty provisions can be fairly applied to connections below 15 kW.

Petitioner's Reply

CSPDCL submitted that in the Tariff Order for FY 2024-25, Power Factor (PF) incentives apply only to LT consumers with a Contract Demand of 15 kW or above, offering 1% energy charge incentive for every 0.01 increase in PF above 0.95. Consumers below 15 kW typically using non-motive loads like light and fan with PF around 0.9, are exempted. Any change in this criterion rests with the Commission, which may decide while ensuring CSPDCL's revenue requirements (ARR) are protected.

Commission's View

The Commission clarifies that the Power Factor incentive is applicable only to consumers with a Sanctioned Load of 15 kW and above, who maintain a Power Factor of 0.95 or higher. This is clearly stipulated in the Tariff Schedule approved by the Commission.

2.4.21. Reclassification of Telecom Services Under Industrial Tariff Category

The Objector submitted that telecom services, being essential infrastructure operating 24x7 and contributing to multiple sectors and the State's GDP, should be classified under the Industrial Tariff category instead of the existing Commercial/Non-Domestic category. Citing recommendations from TRAI (2022) and FOIR advocating industrial/utility tariff for telecom sites, along with statutory backing under the Finance Act, 2002 and judicial recognition of telecom as an 'industry' by the Hon'ble Supreme Court, the Objector suggested the need for parity with States such as Maharashtra, Gujarat, Himachal Pradesh, and Haryana. Accordingly, the Objector requested application of Industrial Tariff to both LT and HT telecom connections and opposed any increase in tariffs.

Petitioner's Reply

CSPDCL submitted that the classification of telecom units under the industrial electricity tariff is currently sub-judice and is under consideration by the Hon'ble

APTEL in Appeal No. 127/2024 filed by COAI. CSPDCL maintained that the existing tariff classification Non-Domestic for LT consumers and Other Industrial Tariff for HT consumers should continue to apply to telecom units. However, CSPDCL acknowledged that the final decision on consumer categorization and tariff adjustments lies with the Commission, which may take an appropriate decision while ensuring the protection of CSPDCL's Aggregate Revenue Requirement (ARR).

Commission's View

The Commission has kept the tariff category of the objector unchanged in view of the matter being sub-judice before the Hon'ble APTEL.

2.4.22. Tariff Rationalization, Load Shedding Exemption, and Maintenance Allowance for 132 kV Steel Industries

The Objectors submitted that substantial investment is required by industries shifting from 33 kV to 132 kV supply, including expenditure exceeding Rs. 20 Crore for line conversion, coordination with transmission utilities, and disruption to industrial operations. Despite these efforts, 132 kV consumers have recently been subjected to load shedding with minimal notice, severely impacting continuous process industries such as steel manufacturing, where power cuts result in significant material loss. The Objector requested that the earlier exemption from load shedding for 132 kV consumers be reinstated. Further, the Objector highlighted that the tariff differential between 33 kV and 132 kV consumers under HV-4 category has been reduced to Rs. 0.25/kVAh from Rs. 0.50/kVAh in the previous year, despite negligible transmission losses at 132 kV. To restore fairness and incentivize higher voltage usage, the Objector requested that the energy charge for 132 kV consumers be reduced to Rs. 5.85/kVAh. Additionally, the Objector requested that 132 kV industries be allowed 30 hours per month for maintenance downtime, in line with provisions available to other voltage categories.

The objectors submitted that EHV consumers were earlier allowed a 30-hour outage allowance in Load Factor calculations, recognizing their contribution to grid demand. However, this allowance was withdrawn based on CSPDCL's claim of 98-99% uninterrupted supply at 132 kV. In reality, frequent disruptions continue, leading to production losses. Notably, while the Commission permits 30 hours for 33 kV consumers, actual outages are higher. Therefore, it is requested that the Commission allow 72 hours for 33 kV lines and 36 hours for 132 kV lines as standard outage allowances for Load Factor calculations.

Petitioner's Reply

CSPDCL submitted that load shedding at the 132 kV level is only undertaken during extreme power shortages, and CSPDCL remains committed to providing uninterrupted 24x7 quality power and follows the Commission approved Load Management Procedure during uncontrollable situations.

CSPDCL submitted that the current energy charges for HV-4 consumers are Rs. 6.10/unit at 132 kV and Rs. 6.35/unit at 33 kV, as determined by the Commission through a prudent process. While CSPDCL has no specific comments, it affirms that tariff determination lies solely with the Commission, which may decide appropriately while safeguarding CSPDCL's revenue requirements.

Commission's View

The Commission has made provision for a flat 30 hours per month of power-off (non-supply) applicable across all voltage levels (11 kV, 33 kV, 132 kV, and 220 kV) in this Tariff Order.

2.4.23. Exemption of Wheeling and Transmission Charges for MSME Solar Plants

The objector submitted that in recent days, "NITI Aayog" has talked about providing various types of financial assistance and regulatory relaxations to promote renewable energy among MSME entrepreneurs.

The new solar energy policy of the State is also currently under consideration. The objector requested that in line with the intention of NITI Aayog, to promote captive micro, small, and medium solar power plants in the State, solar power plants up to 5 MW should be exempted from wheeling and transmission charges or banking charges in the new Solar Energy Policy of Chhattisgarh.

The objectors submitted that CSPTCL and CSPDCL have proposed to recover monthly transmission charges based on contracted capacity (MW), rather than actual energy usage (MWh). This disproportionately affects solar generators, which operate at lower PLFs (16%) compared to thermal plants (80%), resulting in a much higher per-unit cost for solar projects. A 2 MW solar generator ends up paying around Rs. 1,302/MWh against Rs. 260/MWh for a thermal plant about 5 times more.

To ensure fairness and promote renewable energy growth, the billing mechanism should be modified by incorporating a PLF-based adjustment that reflects actual plant utilization, and to grant an 80% discount on transmission charges for solar power. These measures will help achieve cost parity between solar and conventional generators, align with Chhattisgarh's renewable energy targets, and incentivize further solar project investments in the state.

The objectors submitted that to maintain consistency with the State's Solar Policy, which grants a lifetime waiver on transmission and related charges for solar plants it is recommended that similar exemptions be upheld in regulatory provisions. Applying the same transmission charges to solar and thermal energy is inappropriate, given the stark difference in load factors (17–18% for solar vs. 100% for thermal). If transmission charges are to be imposed on solar power projects, they should be capped at 20% of the rates applicable to thermal plants, calculated on a per kWh basis rather than per MW to align with actual energy usage, and fixed for the entire operational life of the plant to provide long-term financial predictability and support investor confidence.

It is also noted that, contrary to standard practice, current short-term charges (Rs.0.32/kWh) are lower than long-term charges (Rs.1.50/kWh). Imposing such high charges on solar projects could hinder investment and act against the Government of India's ambitious solar capacity targets.

Petitioner's Reply

CSPDCL submitted that offering rebates or concessions on charges such as Wheeling Charges, Transmission Charges, Banking Charges, and similar components falls under the exclusive jurisdiction of the Commission. CSPDCL submitted that the Commission may take an appropriate decision on this matter after conducting a prudence check, while ensuring protection of CSPDCL's ARR, maintaining its financial stability, and safeguarding the overall interest of all consumer categories within the State.

CSPDCL submitted that solar generators, like others, use the transmission network and already receive substantial benefits such as waivers on transmission, SLDC, and CSS charges under the GIDRES 2021 amendment, in line with the state solar policy. While solar CUF is lower (20-25%) than thermal PLF (80%), solar consumers also enjoy exclusive incentives like banking, POC exemption, and DSM waivers making comparisons with other generators inappropriate. CSPDCL submitted that transmission charges are cost-based and vary yearly depending on grid capacity and usage, hence cannot be fixed for the lifetime of a project and also warned that unrestricted annual energy banking for solar may harm grid stability and cause financial losses during peak demand periods. Transmission charges are based on cost-plus principles, and altering the methodology as suggested would lead to under-recovery for the transmission utility, contrary to the intent of the Electricity Act. Additionally proposed removing load factor-based sub-classification in HV-4 tariffs, arguing that consumers currently benefit doubly from both low demand charges at low load factor and incentives at high load factor.

CSPTCL submitted that presently in CSPTCL, transmission charges are being recovered as per the methodology given in clause 33 (1) of the Chhattisgarh State Electricity Regulatory Commission (Connectivity and Intra- State Open Access) Regulations, 2011. Therefore, the Objector's comment regarding consideration of transmission charges based on availability in terms of MWh is thus, not appropriate

Commission's View

Considering the concerns raised, the Commission has ruled that the transmission charges applicable for long-term/medium-term Open Access transactions involving Solar Energy shall be 33% of the above stipulated transmission charges, as detailed in the respective chapter of this order.

2.4.24. Revised Time-of-Day (ToD) Tariff Structure

The Objector submitted that it strongly objects to the revised Time-of-Day (ToD) tariff structure proposed in CSPDCL's tariff petition for FY 2025-26, which continues the changes introduced in the 2024-25 Tariff Order. The objector submitted that the restructured ToD blocks have significantly increased their operational electricity costs and have directly undermined the financial viability of their solar power investments. Specifically, the revised structure shifts daytime hours (9:00-17:00) to the lowest tariff slab (Rs. 5.72/unit), reducing the benefit of solar generation exported during peak sunlight hours. As a result, the rooftop solar system of 480 kWp installed under net metering is no longer economically advantageous, leading to an additional financial burden of approximately Rs. 2.8 lakh per month. The objector stated that this change contradicts the objectives of National and State Renewable Energy Policies, including the Electricity Act, 2003; Tariff Policy, 2016; and the Chhattisgarh Solar Energy Policy, 2017-2027, all of which promote the adoption of green energy through supportive tariff structures. The objector requested the Commission to reinstate the earlier ToD pattern, provide tariff relief to industries investing in solar, and initiate stakeholder consultations to ensure the tariff framework remains aligned with sustainability goals.

The objector submitted that a night tariff should be applied from 11:00 PM to 5:00 AM, with a rebate/discount applied during this period to encourage off-peak usage.

Petitioner's Reply

CSPDCL submitted that the Commission, after detailed deliberation and study, proposed a redesign of the ToD tariff structure to optimize power procurement costs and promote demand response schemes. CSPDCL submitted that the earlier objective of the ToD tariff was to flatten the load curve to minimize peak-hour power purchases and optimize generation capacity tie-ups. However, with the growing share of solar and wind power in the energy mix, the objective has shifted. The focus is now on aligning the load curve with the availability of renewable power to further optimize procurement costs.

CSPDCL further submitted that ToD tariffs, which apply different tariffs for peak and off-peak hours, are now structured to encourage reduced consumption during peak hours when power availability is low and incentivize increased usage during off-peak hours when power availability, particularly from solar sources, is high. CSPDCL pointed out that with the significant increase in solar power generation, the previous classification of "normal hours" (10:00 to 16:00 hours) became outdated, as this period now coincides with maximum solar availability. Previously designated off-peak hours were, in fact, periods of lower power availability due to bulk consumers maximizing consumption to avail lower rates.

There was, therefore, an immediate need to redefine the usage periods to reflect the changing supply dynamics. CSPDCL also referred to the Ministry of Power's Electricity (Rights of Consumers) Amendment Rule, 2023, which mandates that tariffs during solar hours should be at least 20% lower than normal tariffs and that the duration of peak hours should not exceed solar hours. The redesigned ToD structure has been aligned with these national directives.

CSPDCL submitted that the current ToD design effectively supports power procurement optimization and demand-side management and recommended its continuation. Regarding tariff rebates for industries investing in solar energy, CSPDCL stated that this is solely at the discretion of the Commission, which may decide after due prudence check while safeguarding CSPDCL's ARR.

Finally, CSPDCL submitted that stakeholder consultation is already an integral part of the Public Hearing process on Tariff Petitions and advised that the objector may present its concerns during the Public Hearing conducted by the Commission.

CSPDCL submitted that as per the current Tariff Order, ToD (Time of Day) rebate is being provided to consumers under HV-2, HV-3, and HV-4 categories. Due to increased solar generation in the State, a higher quantity of electricity is available during solar hours from 09:00 AM to 05:00 PM. Therefore, consumers are being encouraged to consume more electricity during this period by providing a 20% energy charge rebate.

During night hours from 11:00 PM to 05:00 AM, since solar generation is not available and demand is higher, industries cannot be incentivized to consume more electricity during this period. Hence, providing energy charge rebate during this time is not appropriate. Under the current tariff, electricity consumed during night hours 11:00 PM to 05:00 AM is billed at the normal energy charge rate (100% of Energy Charges). The authority to decide on granting any rebate lies with the Commission.

Commission's View

The Commission, after detailed deliberation and study, has designed the ToD tariff structure to optimize power procurement costs and promote demand response schemes to flatten the load curve to minimize peak-hour power purchases and optimize generation capacity tie-ups.

2.4.25. Discrepancy in Cost of Power Purchased from CSPGCL

The Objector submitted that the issue raised pertains to a discrepancy between the power purchase expense claimed by CSPDCL and the revenue recovery sought by CSPGCL for FY 2023-24. CSPDCL has claimed Rs. 7,287.66 Crore (including past gaps) as power purchase cost paid to CSPGCL, while CSPGCL's own ARR stands at Rs. 7,697.85 Crore with a standalone Revenue Gap of Rs. 246.05 Crore, implying a recovery claim of Rs. 7,451.80 Crore. The objector requested the Commission to thoroughly scrutinize and reconcile these claims to ensure consistency and prevent any undue recovery.

Petitioner's Reply

CSPGCL submitted that it has already clarified in its Petition that the revenue from the sale of power has been considered based on actual billing. In line with the methodology adopted by the Commission in previous orders, the revenue billed from April to March of the respective financial year, along with the corresponding Fuel Cost Adjustment (FCA), has been appropriately included.

Additionally, CSPGCL stated that, as part of its response to data gaps, it has submitted a detailed reconciliation of the revenue figures considered in the petition with those reported in the audited accounts.

Commission's View

The Commission has verified and reconciled the details provided by CSPDCL and CSPGCL and has accordingly approved the quantum and cost of power purchased from CSPGCL stations in the final true-up for FY 2023-24.

2.4.26. Green Energy Open Access (GEOA) Facilitation

The objector submitted that the telecommunications industry appreciates the CSERC's Green Energy Open Access (GEOA) Regulations allowing LT consumers below 100 kW to access renewable energy with load aggregation. This supports sustainability, energy independence, and carbon reduction. However, the objector sought clarity on transmission charges and losses applicable to LT consumers, distribution/wheeling charges and losses applicable for those connected at 440V, other associated charges such as CSLDC, Standby, and banking charges and requested to allow a single application and fee for GEOA across multiple connections of the same entity within a Distribution Licensee's area and suggested to permit the use of smart meters at consumption points instead of ABT meters. The objector requested the Commission to address these concerns to enable effective and smooth implementation of GEOA for LT consumers.

Petitioner's Reply

CSPDCL submitted that as per CSERC DRE Regulations (2021 and 2023), transmission, wheeling, and related charges for Distributed Renewable Energy (DRE) projects are governed by the applicable Tariff Orders, and capacity aggregation is allowed to meet the 100 kW minimum requirement within the same electricity division. CSPDCL stated it is adhering to all metering Regulations and requested the Commission to take an appropriate decision, as Regulation finalization rests solely with the Commission.

Commission's View

The Commission has noted the concern of the objector and has stipulated the applicable green energy charges for all consumers including LV category in accordance with the CSERC Green Energy Open Access Regulations, as elaborated in the Tariff Schedule.

2.4.27. Proposed change in Tariff category and Tariff Relief Measures for Power-Intensive Mini Steel Plants in Chhattisgarh

The objector submitted that Mini steel (furnace) plants in Chhattisgarh should be classified as power-intensive industries and placed under a separate concessional tariff category. From FY 2025-26, their power tariff should not be increased, instead, a Rs. 1.00/unit reduction should be implemented to support industrial growth. Additionally, industries using over 25% of power for production should receive tariffs based on actual consumption, ensuring fairness.

Petitioner's Reply

CSPDCL submitted that the current tariff structure for HV-4 category consumers varies based on supply voltage and load factor, with specific Demand Charges and Energy Charges applicable at 220 kV, 132 kV, 33 kV, and 11 kV levels. Lower load factor consumers ≤15% are charged lower Demand Charges but higher Energy Charges. These rates, based on Clause 7.13 of the prevailing Tariff Order, reflect differences in loss levels across voltages. Additionally, Clause 7.5 justifies maintaining distinct voltage-wise energy charges to ensure consistency. A 10% rebate on energy charges is also provided to HV-4 consumers with a load factor above 75% to promote efficient energy usage. It is requested that these provisions be retained in the tariff for FY 2025-26.

Commission's View

The Tariff Philosophy and tariff schedule applicable for FY 2025-26 are elaborated in the relevant chapters of this order.

2.4.28. Extended Power-Off Allowance for Maintenance Shutdowns in Mini Steel Plants

The objector submitted that mini steel plants currently receive only a 30-hour power-off allowance for maintenance, which is insufficient. Due to lack of scheduled shutdown provisions in Chhattisgarh's local grid, plants incur losses. It is proposed to increase the allowance to 72 hours in the upcoming tariff.

Petitioner's Reply

CSPDCL submitted that as per the current Tariff Order, for HV-4 category consumers at 33 kV and 11 kV levels, "Power Off Hours" period of 30 hours per month has been specified for calculating the load factor. This is appropriate and does not require any modification. However, any changes in this regard fall under the exclusive jurisdiction of the Commission.

CSPDCL submitted that in the Tariff Order for FY 2024-25, a flat 30-hour monthly power-off allowance for Load Factor calculation is provided only to HV-4 industries connected at 33 kV and 11 kV, and not to those at 132 kV or 220 kV. Any change to this provision rests solely with the Commission.

CSPDCL submitted that the intention of 'power off' hours is to compensate power intensive industries for interruptions. The power off hours of 30 hours given to power intensive industry are sufficient to take care of interruption, exigencies and maintenance work during a month. The Objector has not submitted any justification for revision. Therefore, the aforesaid prayer is liable to be dismissed.

Commission's View

The Commission has made a provision for a flat 30 hours per month of power-off (non-supply) across all voltage levels (11 kV, 33 kV, 132 kV, and 220 kV) as elaborated in tariff philosophy chapter of this order.

2.4.29. Open Access

The objector submitted that CSPDCL should make arrangements to purchase power from large power producers or suppliers and provide it to the steel industries of Chhattisgarh. This is because high-grade steel industries have zero line losses. Such a system is already implemented by DVC in West Bengal. For this, relaxation should be provided in the Open Access Regulations.

Petitioner's Reply

CSPDCL submitted that the rules for electricity supply under Open Access are determined from time to time through the Rules and Regulations issued by the Ministry of Power, Government of India, and the Commission. Any changes to these provisions fall under the exclusive jurisdiction of the Commission.

Commission's View

The issue raised is not relevant to the present true-up and tariff petitions filed by the Utilities.

2.4.30. Rebate

The objector submitted that a 2% rebate should be offered on electricity bills for consumers with 50 kW and above load if payment is made within 5 working days, following Maharashtra's model.

The objector submitted that a 3.0 MW captive solar power plant has been established in line with the national "Vision 2030" and the State's push for renewable energy. While the Chhattisgarh Government's rebate orders (dated 08.12.2021 and 20.01.2025) offer special concessions to HV-4 category industries, they exclude captive power plants below 1.0 MW intended originally for thermal plants with high PLF (90%). However, solar captive plants have a much lower PLF (17-18%), requiring nearly 5.0 MW to match the energy output of a 1.0 MW thermal plant. Despite this, CSPDCL has denied rebates to solar captive plants below 5.0 MW, affecting industries like mini steel plants. It is requested that captive solar (and hydro) plants up to 5.0 MW be considered eligible for the rebate in the FY 2025-26 Tariff Order, ensuring fairness and support for green energy adoption in the HV-4 industrial segment.

The objector requested the Commission to consider solar captive units with capacity up to 5.5 MW AC as equivalent to 1 MW thermal captive units for eligibility under the special rebate granted by the State Government. The objector highlighted that thermal plants operate at a much higher Plant Load Factor (95%) compared to solar plants (17-18%), making the generation output of a 5.5 MW solar plant roughly equal to a 1 MW thermal plant. They objector requested that this technical equivalence be acknowledged in the FY 2025-26 Tariff Order to provide fair treatment and promote solar investment for HV-4 category industries.

Petitioner's Reply

CSPDCL submitted that as per the current Tariff Order, there is no provision for any kind of cash rebate for payment of electricity bills within the due date. Instead, a delayed payment surcharge of 1.5% is levied for payments made after the due date. However, consumers who make advance payments are being given a rebate of 0.5% in electricity bills, provided the advance payment amount is Rs. 20,000 or more.

From the perspective of enhancing consumer services, if the Commission considers granting a cash rebate for timely payment of electricity bills, then it is requested that an appropriate decision be taken while maintaining the proposed ARR of CSPDCL for FY 2025-26.

Additionally, while solar power has a lower CUF (20-25%) compared to thermal plants (80% PLF), solar generators receive exclusive benefits like banking, POC exemption, and DSM waiver, which are not available to other generators making direct comparisons inappropriate.

Commission's View

The various rebates have been elaborated in the relevant chapter of this order.

2.4.31. Request for Domestic Tariff Classification for Charitable Diagnostic Centres

The objector submitted that Shri Ravatpura Sarkar Lok Kalyan Trust operates blood centres in several cities, providing free blood to thalassemia-affected children. As the service is non-commercial and done in public interest, it is requested that these centres be classified under the domestic electricity tariff category, similar to other charitable institutions offering health and education services.

Petitioner's Reply

CSPDCL submitted that as per the Tariff Order for FY 2024-25, diagnostic centres are classified under the "LV-2: Non-Domestic" category. CSPDCL further submitted that tariff determination and classification for consumers lies within the exclusive jurisdiction of the Commission. Therefore, the Commission may kindly take an appropriate decision in this matter.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2025-26 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2025-26 is given in the tariff schedule chapter of this order.

2.4.32. Tariff Classification for Small Stone Crusher Units

The objectorssubmitted that the stone crusher industry is a labour-intensive, self-employment sector operating across Chhattisgarh, supplying essential raw material for construction. Despite historically receiving electricity under the HV-2 tariff category with a 20% rebate, small units under 100 HP are now being shifted to the higher HV-3 category by CSPDCL, increasing their financial burden. These small, rural units operate intermittently with low consumption. It is requested that such units continue to be classified under HV-2 and be exempted from restrictive HV-3 provisions to ensure fair and affordable power access.

The objectors submitted that the stone crushing is a small-scale, seasonal, and non-mining process industry. However, they are currently charged under the HV-2 tariff category meant for mines, which imposes the highest electricity tariff and duty (56%). The objector stated that this classification is unjust as they only crush and size purchased boulders, not extract minerals and requested the Commission to create a separate, subsidized tariff category for standalone stone crushers to ensure their financial sustainability and prevent potential shutdowns, which could affect building material availability in the State.

The objectors submitted that critical issue faced by stone crushing units and minor mineral leaseholders in Chhattisgarh. Their reclassification from the HV-3 to the HV-2 electricity tariff category in the 2023-24 schedule has severely impacted their operations. These small businesses, typically with investments under Rs. 5 Crore are now burdened with an additional Rs. 40,000 to Rs. 50,000 per month due to increased charges, including a significant jump in monthly Demand Charge from Rs. 75,000 to Rs. 1,00,000 for a 200 kVA connection. They are unable to pass these increased costs on to their customers.

Petitioner's Reply

CSPDCL submitted that the determination and classification of tariffs for consumers is the exclusive jurisdiction of the Commission. Therefore, it is requested that the

Commission take an appropriate decision in this matter while keeping in view the ARR of CSPDCL.

Commission's View

The Commission has shifted 'standalone stone crusher, mixer, mixer with stone crushers' from HV-2 to HV-3 category in this Order. The detailed Tariff Schedule applicable for FY 2025-26 is given in the Tariff Schedule Chapter of this Order.

2.4.33. Load Factor Incentive

The objectors submitted that the earlier incentive of up to 25% for 50-75% consumption has been reduced to 10% for 65-75% usage, leading to higher bills and reduced competitiveness. The objector requested to reinstate the earlier 25% load factor incentive structure.

The Objector submitted that the current Load Factor (LF) rebate offered to certain HV-4 (steel industry) consumers those without captive generation above 1 MW is creating undue financial preference, reducing their average billing rate to below the Average Cost of Supply (ACoS), making them a subsidized category. This undermines the purpose of the rebate, which was intended to improve CSPDCL's revenue through higher consumption. Instead, higher consumption under this rebate leads to greater revenue loss. The Objector submitted that such selective rebates violate Section 62(3) of the Electricity Act and Article 14 of the Constitution, as they show unfair preference within a consumer category without technical or financial justification. Referring to APTEL's Judgment in the Mumbai Airport case, the objector stressed that tariff determination must be fair and non-discriminatory. Furthermore, if LF rebate is to be retained, it should only apply to energy consumed above the threshold load factor, not to total consumption, and only after detailed study across all consumer categories.

In contrast, neighbouring States such as Jharkhand, Odisha, Maharashtra, and West Bengal offer much lower tariffs (Rs. 4.50 to Rs. 6.00/unit), while Chhattisgarh industries face tariffs of Rs. 7.50 to Rs. 8.00/unit, making them uncompetitive. Although a Rs. 1/unit subsidy was granted from Oct '24 to Mar '25, it has since been withdrawn. In light of this, to ensure their sustainability, support employment, and strengthen the State's economy, the Load Factor rebate should be reinstated to earlier levels of 25%.

The objector requested the Commission to reinstate the earlier 20% Load Factor Incentive on traction energy charges, as its withdrawal has significantly increased the operational costs and affected the financial viability of railway traction in Chhattisgarh. If not restored, SECR and ECoR will face an additional financial burden of Rs. 147 Crore on their total energy bills.

Petitioner's Reply

CSPDCL submitted that steel industries are already billed near the ACoS and receive multiple benefits, including a 5% energy charge rebate in Bastar and Sarguja, a 30-hour monthly power-off allowance at 33/11 kV levels, and an average 10% Load Factor rebate bringing their Average Billing Rate (ABR) below the Commission-approved level. CSPDCL cautioned that any further increase in Load Factor rebate may impact its financial health and requested the Commission to consider these facts while deciding, and to safeguard CSPDCL's ARR for FY 2025-26.

CSPDCL submitted that the 20% Load Factor rebate for HV-1, Railway Traction was withdrawn in the FY 2024-25 tariff order. Despite a Rs. 0.70/kWh tariff increase, the Railways' Average Billing Rate remains slightly below the ACoS (at 98%). Hence, the present provision of no-load factor rebate to HV-1: Railway Traction category should be continued.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, including the philosophy for rebates and penalties, while determining the category-wise tariff for FY 2025-26 is given in the relevant Chapter of this Order.

2.4.34. Tariff hike

The objector submitted that power tariffs in Chhattisgarh are already higher (Rs.6-7.50/unit) compared to other steel-producing States like Jharkhand, Odisha, and West Bengal (Rs. 4.50-6.00/unit). An increase would worsen competitiveness, hence, the objector requested not to increase tariffs further.

Petitioner's Reply

CSPDCL submitted that determination of tariff for a particular category of consumer is the prerogative of the Commission.

Commission's View

The category-wise tariffs have been determined based on Average Cost of Supply and considering the prevalent cross-subsidy levels. The detailed Tariff Philosophy and Tariff Schedule applicable for FY 2025-26 are elaborated in the relevant Chapters of this Order.

2.4.35. Capping and Rationalization of FPPPA Charges

The objector submitted that the unpredictable and retrospective application of Fuel and Power Purchase Price Adjustment (FPPPA) which has exceeded 21% creates financial uncertainty for consumers and requested to cap FPPPA at 5% annually, improve the Licensee's forecasting and planning, and ensure any recovery is addressed during the next year's true-up process.

The objector submitted that the industries are struggling with severe cost unpredictability due to the highly variable Fuel and Power Purchase Adjustment Surcharge (FPPAS), which is being levied retrospectively often after two months causing sudden spikes in electricity bills that cannot be factored in as products are already sold by the time FPPPA's are charges. The surcharge has ranged from less than 1% to over 21%, resulting in unmanageable tariff shocks. To address this, it is requested that the Commission cap the FPPAS at 5% annually, direct CSPDCL to improve forecasting and cost planning to avoid such volatility and consider that any legitimate under-recovery is already adjusted during the annual tariff true-up, making such retrospective charges unnecessary and burdensome.

Petitioner's Reply

CSPDCL submitted that the Commission has introduced the FPPAS formula by way of Regulations, which is consistent with the Electricity (Amendment Rules) 2022 notified by the Central Government. FPPAS is calculated as per the methodology specified by the Commission in MYT Regulations 2021 and as per Tariff Order issued for the financial year. FPPAS is levied on the basis of actual variation in cost of fuel and power purchase and transmission charges for the power procured in the n^{th} month. These charges have already been borne by the DISCOM, as such for maintaining proper cash flow and liquidity, its recovery is must for DISCOM. It is an "adjustment surcharge", which is market dependent, hence any capping on FPPAS will not be justified and will impact the finances of DISCOM very badly.

Commission's View

The FPPPA is levied in accordance with the provisions of the MYT Regulations, 2021, which have been framed in accordance with the MoP Rules.

2.4.36. Overdrawal Facility During Off-Peak Hours

The objector submitted that earlier, consumers were allowed to overdraw up to 20% above their Contract Demand during off-peak hours, aiding industries and helping Discom manage surplus solar power. It is requested that this 20% overdrawal margin be reinstated to optimize power utilization and support industrial operations.

The objector submitted that the Commission earlier permitted industries to draw up to 20% power over their Contract Demand during off-peak hours, which was withdrawn in the 2024-25 Tariff Order. This change has impacted industries despite surplus power availability during off-peak times. Additionally, power purchased during shortages incurs high costs due to elevated rates and added GNA/TGNA charges TGNA being 1.5 times the GNA. These costs are passed on to consumers through tariff hikes. The objector requested the Commission to direct CSPDCL to evaluate emergency power procurement practices, assess TGNA expenses, explore better planning alternatives like long-term tie-ups or improved load management, and ensure that future tariff hikes are justified by quality and efficiency of supply.

Petitioner's Reply

CSPDCL submitted that availing 20% additional demand is not a right of the consumer. Earlier, this facility was provided to consumers covered under ToD tariff by the Commission in order to promote consumption during off-peak hours. However, in the Tariff Order for FY 2024-25, this facility was withdrawn by the Commission, in view of the rationalization of the ToD usage of power.

Commission's View

The Commission has discussed the issue of withdrawal of 20% power over the Contract Demand during off-peak hours in the Tariff Philosophy Chapter of this Order.

2.4.37. High-Cost Emergency Power Purchases

The objector submitted that Discom's emergency power purchases attract high costs due to TGNA and GNA charges, which are ultimately passed on to consumers and requested that the Commission direct the Licensee to assess the volume, cost, and necessity of such purchases, promote better planning and long-term power tie-ups, and ensure future tariff hikes are justified based on planning efficiency and quality of power supply.

Petitioner's Reply

The petitioner has not submitted any reply in this regard.

Commission's View

The Commission has verified the details provided by CSPDCL and accordingly approves the quantum and cost of power purchased from all sources.

2.4.38. Unit-Based Charging Mechanism

The objector proposed that transmission charges for solar projects be levied on a per kWh basis instead of the current per MW basis, as this would more accurately reflect actual energy generation and usage of the transmission network.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The Commission has ruled that the Transmission Charges applicable for long-term/medium-term Open Access transactions involving Solar Energy shall be 33% of the above stipulated Transmission Charges.

2.4.39. Uniform Tariff Category Without Industry Differentiation

The objector submitted that all steel industry types, viz., mini steel plants, pig iron units, ferro alloy units, and WHRB-based plants are currently grouped under a single HV-4 tariff category by CSPDCL. This uniform approach overlooks key differences in power sourcing and operational costs across these units.

Petitioner's Reply

CSPDCL submitted that Ferro Alloys units are presently being billed under HV4: Steel Industry. These tariffs have been determined by the Commission after due diligence and prudent check, so CSPDCL does not have any comments to offer in the matter. However, it is humbly submitted that determination of tariff for any category of consumer is sole prerogative of the Commission. It is humbly submitted that the Commission may take appropriate decision in this regard while protecting the ARR of CSPDCL.

Commission's View

The Commission has retained the tariff categorisation under HV-4 tariff category. The category-wise tariffs have been determined based on Average Cost of Supply and considering the prevalent cross-subsidy levels.

2.4.40. Disparity in Power Cost Based on Supply Source

The objector submitted that there is a significant cost disparity in power procurement among steel units. WHRB-based plants generate their own power at Rs.4.00-Rs.4.50/unit, while ferro alloy and pig iron units that are fully reliant on CSPDCL pay around Rs.7.35/unit (including FPPAS). This gap of nearly Rs. 3/unit undermines the competitiveness and financial viability of non-captive power-dependent units.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The Commission has approved the category-wise tariffs in order to recover the approved Revenue Gap/(Surplus) and based on the ACoS, as elaborated in the Tariff Philosophy Chapter of this Order.

2.4.41. Intra-State Tariff disparities and comparison with adjoining States

The objector submitted that intra-State tariff disparities exist, viz., units in Jindal Industrial Area pay Rs. 5.20/unit, while similar CSPDCL consumers pay Rs. 7.35/unit. Neighbouring States like Madhya Pradesh offer significantly lower tariffs (Rs. 4.65/unit with Rs. 1 rebate for ferro alloys), and their tariff escalation has been more gradual compared to Chhattisgarh's steep increase from Rs. 4.35/unit in 2015 to Rs. 7.35/unit in 2025.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The Commission is of the view that it is not appropriate to compare the tariff with that of other licensees or States, as tariff determination depends on several components of the ARR, which vary from one licensee to another, such as power purchase cost, sales mix, ACoS, etc.

2.4.42. Operational Challenges for Non-Captive Ferro Alloy Units

The objector submitted that while WHRB and large industrial plants reduce power costs by installing solar or captive generation units, ferro alloy units lack the financial capacity and land to do so. This disadvantage is causing many of them to shut down, relocate to other States, or face imminent closure leading to job losses and declining State revenue.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The issue raised by the Objector is not related to the Petitions filed by the Utilities for true-up for FY 2023-24 and Tariff determination for FY 2025-26.

2.4.43. Relief Measures Sought for Stand-Alone Steel Rolling Mills under High Tariff Stress

The objector submitted that stand-alone steel rolling mills in Chhattisgarh currently face excessively high electricity costs, and are paying Rs. 9.50 - Rs. 10.00 per unit, which is far above CSPDCL's ACoS (Rs. 6.92/unit) and the tariff for combined steel plants. These mills operate at low load factors (15-25%) and have significantly lower energy consumption yet are categorized under HV-4 tariff category, the same as high-load factor mini steel plants (75-85% load factor), leading to unfair billing. In FY 2021-22, the average billing rate for stand-alone mills was Rs. 8.75/unit compared to Rs. 5.76/unit for combined steel units, which is a gap of Rs. 3/unit that continues today. The current high demand charge (Rs. 190/kVA/month) and energy charge (Rs. 6.85/unit) are unsustainable for these small-scale units, risking their closure and impacting the State's steel value chain and employment.

The objector requested the Commission to protect stand-alone steel rolling mills by rejecting CSPDCL's proposal to remove load factor relaxation on demand charges and sought a reduction in the cross-subsidy burden from 142% to the 120% cap prescribed under the Tariff Policy. To ensure fair and efficient tariff design, the objector sought reintroduction of a separate category for low load factor industries (up to 35%). Additionally, the objector requested a reduction in demand charges to Rs. 100/kVA/month from present level of Rs. 190/kVA/month and energy charges to Rs. 6.00/unit from present level of Rs. 6.85/unit to support the viability of these small-scale industries.

Petitioner's Reply

CSPDCL submitted that it has proposed removing the sub-classification of HV-4 steel industries based on load factor, stating that the current system allows consumers to benefit twice through lower Demand Charges at low load factors and incentives at high load factors. Instead, CSPDCL submitted that tariff classification should be based solely on supply voltage to simplify the structure, as also encouraged under the RDSS scheme. The final decision on tariff structure and cross-subsidy rests with the Commission, and CSPDCL requested that its ARR for FY 2025-26 be protected accordingly.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2025-26 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2025-26 is given in the Tariff Schedule Chapter of this Order.

2.4.44. Restoration of Original Tariff Category

The objector submitted that it has a sanctioned load of 150 HP, and was previously billed under LT category. However, despite no change in load, the tariff category has been shifted to HT category, resulting in higher costs and financial strain. The objector requested restoration of the earlier LT tariff category to reduce the burden and align with State welfare policies.

The objector submitted that it should not be categorised under HT category , arguing that despite their operational capacity being within the LT category (up to 200 HP), their bill has been shifted to HT rates. This change has eliminated the crucial rate difference between LT and HT, imposing an unbearable financial burden and causing significant business losses, contrary to Government welfare policies.

The objector submitted that their connection, originally sanctioned at 150 HP under the LT category, was enhanced to 200 HP. However, CSPDCL has started billing them under the HV-2 category, which is against CSERC's Order No. 61/2024 dated 20 September 2024 and Tariff Petition No. 15/2025 dated 27 March 2025. These orders explicitly allow LT category enhancement up to 200 HP without migrating to HT category. The objector requested that the billing be corrected and aligned with the LV-5 tariff category as per applicable Regulations.

The objector submitted that CSPDCL has misled consumers by increasing their load from 10 HP to 200 HP and shifting them to HT tariff categories without proper communication or consent. This action contradicts the Commission's Order dated 20-09-2024, which did not fix tariffs for 200 HP and instructed that connections be given as per consumer requirements. Consumers were unaware of the financial implications, and the sudden imposition of HT tariffs has made operations financially unviable for small industries like stone crushers. The objector requested the Commission to recognize the misinformation and direct CSPDCL to restore the previously applicable LT tariff for relief.

Petitioner's Reply

CSPDCL submitted that as per the decision passed by the Commission dated 27.03.2025 in Petition No. 15/2025, consumers with LT connections above 150 HP and up to 200 HP are to be provisionally billed at the prevailing tariff rates applicable to the 11 kW LT category, until a final order determining the specific tariff category for this consumer group is issued. In accordance with this Order of the Commission, billing for consumers in this category is currently being done accordingly.

Commission's View

The Commission has extended the LT tariffs up to 200 HP or 150 kW in the present Tariff Order, as detailed in the Tariff Philosophy Chapter and Tariff Schedule.

2.4.45. Industrial Electricity Rates for Healthcare Providers in Chhattisgarh

The objector submitted that Chhattisgarh's private healthcare providers seek industrial electricity rates to reduce high operating costs and improve patient care, citing similar provisions in Karnataka and recent government recognition of the sector as an industry.

Petitioner's Reply

CSPDCL submitted that the determination of tariff and classification of consumers lies within the exclusive jurisdiction of the Commission. Therefore, the Commission may take an appropriate decision in this regard. It is further requested that a suitable decision be made while protecting the ARR of the utility.

Commission’s View

The subsection (3) of Section 62 of the Act mandates that the appropriate Commission can differentiate tariff according to the consumer's 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. Accordingly, the tariff has been determined appropriately. The tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2025-26 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2025-26 is given in the Tariff Schedule Chapter of this Order.

2.4.46. Tariff Relief to Sustain Poha Industry in Chhattisgarh

Chhattisgarh hosts around 250 Poha (flattened rice) micro-industries, employing 25,000-30,000 local workers and exporting 90% of their production to other States. However, due to higher input costs, especially paddy procurement at Rs. 3100/quintal under State policy, these units are struggling to compete with counterparts in States like Madhya Pradesh, Gujarat, Bihar, and Maharashtra, where paddy is cheaper. This has led to the closure of 70-80 units and threatens the survival of the rest. To revive the sector, it is requested to reduce the fixed electricity charge to Rs. 100 per HP and grant a 25% electricity tariff incentive to LT Poha processing industries, up from the existing 5%. While small-scale industries appreciate the increase in connection capacity under the LV 5 Part 2 category from 150 HP to 200 HP, they are unable to benefit from it due to the absence of an applicable tariff. It is requested that the existing tariff for up to 150 HP be extended to 200 HP connections as well. This support will promote job creation and contribute to the state’s economic growth.

Petitioner’s Reply

CSPDCL submitted that the determination and modification of tariff for consumers is the exclusive authority of the Commission. Therefore, the Commission may kindly take a just and appropriate decision in this matter, keeping in view the financial revenue requirements of the distribution company. As per Clause 11.1.5 Note (iv) of the tariff order for FY 2024-25, currently a 5% rebate on energy charges is being provided to Poha processing industries. Any increase in this rebate is the exclusive authority of the Commission to decide. Therefore, CSPDCL requested the Commission to consider the company's ARR for FY 2025-26 while taking any decision in this matter.

As per the order passed by the Commission in Petition No. 15/2025 dated 27.03.2025, consumers with LT connections above 150 HP and up to 200 HP are to be provisionally billed under the prevailing tariff rates of the 11 kV LT category, until a final order determining the specific tariff category for this consumer group is issued. Accordingly, billing for consumers in this category is currently being done based on that order.

Commission’s View

The Commission has noted the concern of the objector and has accordingly increased the rebate on energy charges for Poha and Murmura mills from 5% to 10% under LV-5 category as elaborated in Tariff Schedule Chapter of this Order. The Commission has also extended the LT tariffs up to 200 HP or 150 kW in the present Tariff Order, as detailed in the Tariff Philosophy Chapter and Tariff Schedule.

2.4.47. Equitable Tariff Policy and Accountability in Smart Meter Rollout

The objector submitted that it has concerns over the Commission's decision to install Smart Meters costing Rs. 8,000 in poor households, particularly for 20 lakh BPL connections whose bills are already paid by the Government. The cost burden estimated at Rs. 500 Crore annually is likely to fall on general consumers, despite 40% of consumers using less than 100 units of electricity. The implementation of the RDSS scheme is also reportedly lagging, limiting its benefits to the public. The objector requested the Commission to monitor such schemes and exercise its authority under the Electricity Act, 2003 to ensure accountability. It is also suggested that any tariff increase should be confined to the respective consumer category and not be shifted to other categories. Decision-making should be cautious, especially regarding capital expenditure approvals and rate hikes, to protect the interests of poor consumers and support balanced State development.

The objector submitted that it has concerns over CSPDCL's aggressive rollout of pre-paid Smart Meters under the RDSS scheme, highlighting that the Scheme mandates pre-paid meters only for government connections. The objector questioned the necessity of installing them for over 50 lakh consumers and demanded clarity on several key issues; the rationale behind this large-scale rollout, the absence of successful precedents in India, the handling of residual costs from obsolete infrastructure, whether CSPDCL has conducted a cost-benefit analysis of meter-related services, the service charges payable to contractors, and who will bear the operational and depreciation costs for pre-paid meters installed in BPL households, especially when their energy bills are already subsidized by the state government.

The objector submitted that installation of smart/prepaid meters is being done without proper consent, allegedly by private contractors. There are concerns over data privacy, security, and lack of consumer awareness. The objector requested that meter installation be voluntary, with clear responsibility and compensation provisions added to the Supply Code in case of data breaches.

The objector submitted that real-time access to Smart Meter data (e.g., MDI, load, power factor) and implementation of several consumer-friendly provisions for prepaid meters should be ensured. These include:

a) monthly consumption bills via email/portal,

b) negative balance adjustment,

c) refund of postpaid security deposits,

d) consolidated portals for multiple meters,

e) grace period during meter faults,

e) transfer of unused balances,

f) consumption alerts (80/90/95%),

g) availability of spare meters with DISCOMs,

h) consolidated monthly consumption reports,

i) online recharge options,

j) continuation of power factor rebate, and

k) concessional tariffs for prepaid consumers as incentive for advance payments.

Petitioner's Reply

CSPDCL submitted that the facts mentioned by the objector regarding the Smart Meter Scheme are neither appropriate nor complete. The installation of Smart Meters will assist in resolving all discrepancies related to reading and billing for electricity consumers. Additionally, for CSPDCL, it will aid in the continuous observation and monitoring of technical issues or external tampering within consumer premises, thereby helping prevent potential loss of electricity revenue.

CSPDCL submitted that Smart Metering" project is being implemented in CSPDCL as mandated under the Central Electricity Authority (Installation and operation of meters) (Amendment) Regulations, 2019 framed under sub-section (1) of section 55 read with clause (c) of sub-section (2) of Section 177 of the Electricity Act, 2003, and its amendment.

Further, the Commission vide 4th amendment to the Supply Code has made elaborate provisions regarding installation, recharging mechanism, communication facilities and other aspects of Smart Metering.

CSPDCL submitted that Smart Metering Project is being implemented in CSPDCL as mandated under CEA (Installation & Operation of Meters) Amendment Regulations - 2019. However, as on date, no Smart Meter has been made functional on pre-paid mode. The point wise reply to observations made by the objector is as under:

(a) May please refer to Clause 9.1 of the amended Supply Code.

(b) Facility is available with updation every 30 minutes.

(c) May please refer to amended Supply Code dtd. 08.08.2024.

(d) May please refer to Clause 6.22 to 6.24.5 of the amended Supply Code.

(e) Information is available for individual consumer.

(f) May please refer to Clause 8.24 of the amended Supply Code.

(g) May please refer to Clause 6.22 to 6.24.5 of the amended Supply Code.

(h) May please refer to amended Supply Code dtd. 08.08.2024.

(i) May please refer to Clause 8.24 of the amended Supply Code.

(j) Individual statements are available.

(k) Different methods/ portals for recharge is available.

(l) Power Factor rebate will be as determined by the Commission in the Tariff Order.

(m) CSPDCL has proposed 1% incentive on Energy Charges for LV consumers with smart meters and being billed on pre-paid mode.

Commission’s View

The Commission has noted the submissions made by the objectors and replies submitted by CSPDCL.

2.4.48. Revision of Tariff and Fixed Charges

The objector requested correction of billing discrepancies for local industrial consumers from Bhilai Heavy Industrial Area, who applied for a 200 HP LT connection. Although an Agreement was made based on fixed charges and a tariff of Rs. 6.50/unit appliable for 150 HP connections, they are being billed Demand Charges of Rs. 375/kW and Energy Chares of Rs. 7.35/unit, resulting in a monthly increase of Rs. 50,000. The objector requested the Commission to revise the tariff to Rs. 6.50/unit and fixed charges to Rs. 150/kW for their LT 200 HP connection to ensure affordability and operational viability.

The objector submitted that it previously operated under a 150 HP LT agreement and later under the revised LT category up to 200 HP. However, without any change in capacity, the tariff has now been shifted to the HT category, imposing a financial burden and disrupting operations. The objector submitted this shift is against State welfare and employment policies and requested the restoration of the earlier LT tariff.

The objector submitted that consumers applied for LT electricity connections up to 200 HP based on the Commission’s Order dated 20-09-2024, which allowed increased capacity from 150 HP. However, CSPDCL did not set a specific tariff for 200 HP under LT and instead misled consumers by directing them to apply under higher HT tariffs through an application dated 07-03-2025. This lack of clarity and communication caused confusion and financial burden, especially for small industries unable to bear the 20–24% hike. The objector submitted that CSPDCL acted without transparency, and they request that the LT tariff applicable up to 150 HP be extended to 200 HP as well to avoid economic distress.

The objector submitted that the LT electricity connection of 150 HP was increased to 200 HP as per the permitted provision. However, after the load enhancement, the electricity bills have significantly increased exceeding even the HV-1 category rates, leading to financial losses. The objector requested a review and adjustment of the bill amounts based on the attached bills to ensure timely payment.

The objector submitted that the LT connection was upgraded from 150 HP to 200 HP, but billing has been incorrectly applied at HT tariff rates instead of LT, contrary to the original agreement. This has caused financial loss. The objector requested correction of the billing to reflect LT tariff, and a refund of the excess amount already paid under HT rates.

Petitioner's Reply

CSPDCL submitted that as per the decision passed by the Commission in Petition No. 15/2025 dated 27.03.2025, consumers with LT connections above 150 HP and up to 200 HP are to be provisionally billed at the prevailing tariff rates applicable to the 11 kW LT category, until a final order determining the specific tariff category for this consumer group is issued. In accordance with this order of the Commission, billing for consumers in this category is currently being done accordingly.

Commission's View

The Commission has extended the LT tariffs up to 200 HP or 150 kW in the present Tariff Order, as detailed in the Tariff Philosophy Chapter and Tariff Schedule.

2.4.49. Solar Net Metering and Flexible Transformer Procurement

The objector requested permission to implement solar net metering for temporary electricity connections during long-term construction projects (spanning over 5 years) to reduce energy costs. Additionally, due to a shortage of transformers, they requested a return to previous norms that allowed either CSPDCL or the builder to procure distribution transformers for SME/MSME industries and small commercial projects. Early approval and consideration are requested to ensure smoother operations and cost efficiency.

Petitioner's Reply

CSPDCL submitted that the provisions for procurement of distribution transformers in supervision works were changed by the Commission after evaluating the technical and practical prospects and after deliberation with all the concerned stakeholders. Presently, in external electrification works under supervision basis, distribution transformers are being provided by CSPDCL as per the present condition and requirement of the load.
CSPDCL submitted that there is no need to change the provisions relating to procurement of DTs in supervision works.

Regarding permission for solar net metering in temporary connections, it is clarified that keeping in view the contract period of solar net metering and the physical condition of the temporary connection installation (generally transformer DP and poles of the electricity company) and for electrical usage of temporary nature during construction work, it is not appropriate to provide the facility of solar net metering in temporary electricity connections.

Commission's View

The issue raised by the Objector is not related to the Petitions filed by the Utilities for true-up for FY 2023-24 and Tariff determination for FY 2025-26.

2.4.50. Subsidized Tariff for Railway Non-Commercial and Public Service Electricity Use

The objector submitted that the South East Central Railway (SECR) sources electricity from CSPDCL under the HV-3 (General Purpose Non-Industrial) tariff for its stations, workshops, offices, colonies, and public facilities like hospitals and streetlights. As a non-profit Central Government entity serving public infrastructure and amenities, the objector requested the Commission to consider providing a reasonable, subsidized tariff for these essential services benefiting the general public.

Petitioner's Reply

CSPDCL submitted that that looking into the nature of non-traction load of Railways, the present categorization of HV-3 category is justified and there is no need to change it. Also, LV-6 category is for Street Light and Water Works categorized for public utility. Non-traction load cannot be considered under this category. However, categorization of a consumer to a particular category and determination of tariff for a particular category of consumer is the prerogative of the Commission.

Commission's View

The detailed rationale and tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2025-26 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2025-26 is given in the Tariff Schedule Chapter of this Order.

2.4.51. Expenses towards payment of pension and gratuity to the employees of all State power companies-CSPGCL, CPSTCL and CSPDCL

The objector raised concerns over significant underfunding of the CSEB Gratuity and Pension (G&P) Fund by Chhattisgarh's State Power Companies. Despite actuarial estimates requiring a Fund corpus of Rs. 16,000 Crore by FY 2024-25, the actual corpus remains at just Rs. 6,500 Crore only, which is 40% of the required amount. The objector submitted that the Companies have been deliberately underestimating pension and gratuity expenses in their ARR and true-up Petitions to keep tariffs low, particularly for high-tension consumers. Over FY 2018-2022, there was a cumulative funding deficit of Rs. 1,695 Crore, and the deficit is growing at 5-6% annually. The objector requested the Commission to ensure accurate, prudent estimation of retirement-related liabilities in the ARR and to mandate an additional Rs. 1,500 Crore provisioning annually to restore the Fund to at least 50% of its required corpus, safeguarding both employee interests and future consumer tariffs.

The objector requested for a 30% increase in the pension grant, citing a significant rise in the number of retirees now around 16,200 and expected to grow further by FY 2028-29. The objector submitted that without an increase, the Pension Trust may face financial distress, making it difficult to meet pension obligations and requested long-standing demands to the Central Government for a one-time grant of Rs. 10,000 Crore to support pension liabilities and highlighted growing concerns due to the ongoing privatization of power utilities in various States. The objector requested immediate corrective action to secure the future of pensioners.

Petitioner's Reply

CSPTCL submitted that it has been paying in full its annual contribution to the Trust as per the amount provided in the Tariff Orders. CSPTCL understands the importance of full remittance of employee benefit and is striving best for full payment to the Trust as per Tariff order.

CSPGCL has affirmed its full compliance with the Commission's directives, stating that it has consistently contributed to the Pension & Gratuity (P&G) Fund as per Tariff Orders and denied any shortfall in contributions. It assured continued adherence to the Commission's decisions, including any additional contributions mandated in future tariff orders.

Commission's View

The Commission has approved the contribution towards Pension and Gratuity for FY 2023-24 in line with the amount approved in the Tariff Order dated 13th April 2022 and the actual contribution made by the Companies. Further, for FY 2025-26, the Commission has approved the contribution to Pension and Gratuity Fund based on the letter received from the Pension Trust, as per the practice adopted in the previous Tariff Order, as detailed in the respective chapter of this Order.

2.4.52. Revenue Gap / Surplus for FY 2023-24

The Objector submitted that it has serious concerns over a recurring financial practice by CSPDCL and oversight by the Commission, alleging a systemic conspiracy that benefits the HV-4 (Steel Industry) and HV-1 (Railways) categories at the cost of other consumers. It submitted that in CSPDCL's Petition No. 98/2024, a significant Revenue Gap of Rs. 2,640.40 Crore for FY 2023-24 is shown, deviating by 11.43% from estimates. The objector submitted that this Gap is largely due to the deliberate understatement of revenue from HV-4 consumers by inflating the Average Billing Rate (ABR) in Tariff Petitions while ignoring the real impact of generous Load Factor rebates (up to 25%), which drastically reduce effective tariffs for these consumers.

The Objector submitted that CSPDCL is hiding category-wise revenue shortfalls in their filings, using a generalized Revenue Gap to justify uniform tariff hikes across all consumer categories. They also highlight that this practice has been ongoing since FY 2017-18, with the Commission itself acknowledging under-recovery from 33 kV consumers in past Tariff Orders yet continuing to allow rebates without effective oversight. The concern is that HV-4, expected to be a subsidizing category, becomes subsidized due to rebates undermining revenue recovery.

The Objector submitted that any revenue under-recovery from HV-4 and HV-1 categories should be directly attributed to those categories rather than being recovered through across-the-board tariff hikes. To ensure transparency, the objector advocated for accurate computation of ABR by incorporating all tariff components such as energy charges, demand charges, time-of-day rates, and applicable rebates based on actual past billing data and also requested that detailed ABR calculations be published in future Tariff Orders and that CSPDCL disclose the financial impact of rebates in their filings to facilitate public scrutiny. Furthermore, they recommend the complete abolition of the 1-10% load factor rebate for HV-4 consumers starting FY 2025-26, to prevent unfair subsidization and protect broader consumer interests.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission’s View

The Commission has adjusted the Revenue Gap/(Surplus) arrived at based on final true-up of FY 2023-24, with the stand-alone Revenue Gap/(Surplus) of FY 2025-26, and the tariffs have been designed based on the cumulative Revenue Gap/(Surplus) as per the methodology adopted in previous tariff orders.

Further, the impact of the Load Factor rebate has been factored, both in computing the revenue from existing tariff and hence, the Revenue Gap, as well as in the revenue from revised tariff, hence, there is no under-statement of the impact of the Load Factor rebate. The computation of revenue from revised tariff is also being provided as an Annexure to the Tariff Orders, as per past practice.

2.4.53. Genco Related Issues

The objector submitted that it appreciates the Commission’s directive to defer the FGD tender at DSPM TPS, which will save approximately Rs. 700 Crore, and suggested extending this decision to ABVTPS, as it falls under Category C where Flue Gas Desulfurization (FGD) is reportedly not required and requested consideration of contract closure for ABVTPS or at least avoiding FGD installation in new units. The amount saved can be used to develop an 800 MW battery storage project at the defunct Korba East plant site, utilizing existing infrastructure. With government Viability Gap Funding (VGF) support, the project could cost around Rs. 700 Crore and be completed within two years.

Petitioner’s Reply

CSPGCL submitted that the comments appear to be suggestive in nature and CSPGCL will follow directives issued by the Commission.

Commission’s View

As regards the installation of FGD at CSPGCL plants, the Commission has directed CSPGCL to withhold the tendering process of installation of FGD at DSPM TPS and to review the installation of FGD at its other power plants.

2.4.54. Renewable Energy Related Issues

The objector submitted that the State Power Companies provide either additional capital subsidies or concessional loans to their employees and pensioners under the Solar Panel Scheme to promote adoption, particularly in semi-urban and rural areas, where such installations could have a ripple effect and also highlighted the lack of action on the Commission’s earlier directive to promote electric vehicles (EVs), suggesting that Power Companies be directed to install EV charging stations at headquarters, power stations, and regional offices. The Commission is also requested to lead by example by setting up an EV charging station at its own premises. These suggestions are aimed at benefiting employees, pensioners, and small consumers in line with the Electricity Act, 2003.

Petitioner’s Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The Commission has directed the State power Companies Solar panel at the roof of their respective office building and open land in plants and colonies. **Voltage-wise Cost of Supply Delay**

The objector submitted that CSPDCL has delayed the voltage-wise cost of supply study for over 10 years. Due to this, even 220 kV consumers with no distribution losses are forced to bear transmission and distribution loss components in tariffs and requested the Commission to direct CSPDCL to complete this study urgently and ensure future tariffs reflect actual voltage-wise cost to avoid cross-subsidization.

Petitioner's Reply

CSPDCL submitted that the Commission calculates the VCoS using the methodology from the FY 2018-19 Tariff Order, in line with Hon'ble APTEL's 2015 Judgment. Since, actual voltage-wise losses are not yet available and are currently based on assumptions, the Commission determines VCoS using the best available data until CSPDCL completes its detailed studies.

Commission's View

The approach of the Commission regarding determination of Voltage-wise Cost of Supply is elaborated in the tariff philosophy chapter of this order. Further, the Commission has already implemented differential tariffs within a consumer category based on the supply voltage, and consumers taking supply at higher voltages are required to pay lower tariff, as compared to consumers taking supply at lower voltages. These principles have been further extended by increasing the tariff differential between 132 kV supply and 33 kV supply in this tariff order.

2.4.55. Surplus Revenue in ARR for FY 2025-26

The objector submitted that CSPDCL's ARR of Rs. 23,082 Crore shows projected revenue at existing tariff as Rs. 24,653.71 Crore already indicating surplus and further submitted that CSPDCL is attempting to recover past Gaps through already inflated current tariffs and requested the Commission to scrutinize this closely during tariff determination.

Petitioner's Reply

CSPDCL submitted that the ARR submitted through the Tariff Petition is based on actuals and audited accounts of the Company. All the relevant documents have been already submitted to the Commission and have been uploaded on the Company website as well. As such, the Commission is requested to approve the revenue gap as computed by CSPDCL and to protect the ARR for FY 2025-26.

Commission's View

The Commission has adjusted the Revenue Gap/(Surplus) arrived at based on final true-up of FY 2023-24, with the stand-alone Revenue Gap/(Surplus) of FY 2025-26, and the tariffs have been designed based on the cumulative Revenue Gap/(Surplus) as per the methodology adopted in previous Tariff Orders.

2.4.56. Static Distribution Loss Projections

The objector submitted that despite year-on-year increases in projected sales across all consumer categories, CSPDCL has shown no improvement in its projected energy losses below 33 kV and requested the Commission to direct CSPDCL to take concrete steps to reduce these losses as they unfairly impact EHV consumers.

Petitioner's Reply

CSPDCL submitted that it is actively working to reduce the Distribution losses, as reflected in the declining trend over recent years from 19.27% in FY 2019-20 to 17.42% in FY 2023-24.

Commission's View

The Commission has approved the distribution loss for FY 2025-26, as discussed in detail in the relevant Chapter of this Order.

2.4.57. Voltage-wise Power Purchase Cost

The objector submitted that power purchase cost is a major tariff component, and the current method applies uniform purchase rates ignoring voltage-wise cost differences and requested the Commission to consider voltage-wise power purchase rates to assess the actual cost for different consumer categories.

Petitioner's Reply

CSPDCL submitted that Power Purchase Cost as submitted in the Tariff Petition are actual figures of power purchase from different sources such as Central Generating Stations, CSPGCL Generating Stations, Renewable Energy Source, concessional power from IPPs and other sources such as Power Exchange, etc. CSPDCL requested the Commission to approve the power purchase expenses as submitted by CSPDCL in the Tariff Petition.

Commission's View

It is clarified that the power purchase rates remains the same irrespective of the voltage of supply, hence, there is neither any merit nor any requirement to consider voltage-wise power purchase rates.

2.4.58. Parallel Operation Charges (POC)

The objector submitted that the 300% hike in POC was allowed in the last Order solely on CSPDCL's request, without any cost assessment and requested the Commission to revisit and reduce POC by 50% to a justifiable level based on actual impact and cost study.

Petitioner's Reply

CSPDCL submitted that in the Tariff Order for FY 2024-25, Commission retained the Parallel Operation Charges as determined in the previous year's Tariff Order for FY 2023-24. CSPDCL submitted that the revenue earned through Parallel Operation Charges is Non-Tariff Income.

Any alteration would have a bearing on the tariff of normal electricity consumers. Thus, consideration of applicant's request may cause additional burden. CSPDCL requested the Commission that if the request of objector is considered, then the same may be subject to protection of ARR of CSPDCL for FY 2025-26.

Commission’s View

The Parallel Operation Charges for Captive Power Plants have been revised from 13 paise/kWh to 15 paise/kWh, the computation of which is elaborated in the Tariff Philosophy Chapter of the Order.

2.4.59. Permanent Electricity Connections for Real Estate Projects

The objector submitted that permanent electricity connections should be allowed during the construction phase of real estate projects, replacing the existing system of temporary six-month connections. The current system is outdated and misaligned with the long-term and continuous nature of real estate construction activities, which typically span 5-10 years. The objector highlighted several drawbacks of temporary connections including repeated administrative burdens, higher tariffs, cost inflation for end consumers, and safety risks due to inconsistent power supply and emphasized that permanent power is essential not only for construction equipment and site infrastructure but also for worker safety and legal compliance.

The objector referenced provisions from the Electricity Act, 2003 and the Chhattisgarh State Electricity Supply Code, 2011 to support its request and also aligned its plea with national policy directions from NITI Aayog, MoHUA, and the Ministry of Power that call for utility simplification and affordable housing. The objector proposed framework for connection eligibility based on affidavit declarations, dedicated meters, and category-appropriate billing and further requested the Commission to direct CSPDCL to bill such construction-phase connections under applicable domestic or commercial tariffs, invoking regulatory provisions that allow exceptions in the public interest.

Petitioner’s Reply

CSPDCL submitted that that the facts presented by the objector are not correct. There is a provision for taking temporary connection for works of temporary nature and as per the current provisions (Clause 4.59 of the Electricity Supply Code), temporary connection can be given initially for a maximum period of 2 years, which can be extended for a period after 2 years as per technical feasibility in which there is no restriction other than technical feasibility and there is no practice of taking documents / security deposit again with the application for extension of period. Keeping in view the wide area and nature of temporary use, the provision of temporary connection by the Commission is appropriate.

Commission’s View

The Commission has approved the charges for temporary connection as detailed in the tariff schedule chapter of this order. However, the Commission has not accepted the request for release of permanent electricity connections during the construction phase of real estate projects.

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

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

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

The Objector submitted that in the post-COVID-19 period, the State Government is trying hard to attract fresh investment in the State by providing booster under State Industrial Policy 2024-30. Hence, to achieve above objective, it is essential to secure the growth of existing industries, who are finding it difficult to survive in the present scenario.

Presently, Steel Industries of the State are passing through an adverse phase due to market conditions and rising input cost of raw materials and electricity and power subsidy given into other States. Therefore, they are forced to find another cheaper source of electricity for their survival. Unfortunately, CSPDCL's supply is becoming costlier every year and has reached unsustainable level for Steel Industries.

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

Considering the hard-hitting and unreasonable tariff proposals made by CSPDCL for FY 2025-26 for Steel Industries, the proposed targets shall remain unachievable and shall be extremely detrimental for Steel Industries of the State and shall prove to be suicidal for CSPDCL itself.

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

a) A dedicated tariff category should be established for all Power Intensive Industries with a load factor above 50% and contract demand of 2500 kVA or more, enabling focused monitoring of their operational challenges and facilitating proactive policy formulation by the State Government and the CSERC.

b) ABR from Bulk Consumers to CSPDCL should be nearly equal to Voltage-wise Cost of Supply (Rs. 5.55 per unit for 33 kV supply determined by the Commission for FY 2024-25, excluding past Revenue Gap);

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

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

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

f) All Power Intensive Industries have installed “Automated Demand Control Systems” to manage their demand within permissible limits. However, occasional and brief malfunctions may lead to minor exceedances, attracting significant penal charges. It is therefore, requested that such instances be condoned once a year for consumers equipped with these systems, acknowledging their proactive compliance efforts;

g) Installation of Solar Power Plants be encouraged by streamlining the procedure / permissions and transmission charges for them be made equal to “Transmission Charges for Short Term Open Access” as decided by the Commission and any Cross Subsidy Surcharge on Solar Power be waived to attract investment within the State;

h) FPPAS should be reset to “Zero” as it has gone up as high as 22% or more of Energy Charges;

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

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

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

l) Delayed Payment Surcharge fixed on per day basis (0.5% per day on delayed no. of days) or Power Intensive Industries since their billing amount is huge and any small delay causes huge DPS amount on them.

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

n) Advance Payment Rebate equivalent to Delayed Payment Surcharge (presently DPS is 1.5% of the bill per month or part and APR is only 0.5%) may be given to encourage advance payment of energy bills which will improve cash-flow of CSPDCL. Option of installation of Smart Energy Meter be given to industries.

The Objector requested the Commission that the Retail Tariff for Mini Steel Plants during FY 2025-26 should be designed considering the following: the previous growth history, future growth potential, problems being faced by such Industries, sincere efforts of State Government to attract fresh investment, and employment avenues, and revenue contribution by Mini Steel Plants over the years, etc.

Petitioner's Reply

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

a. Categorization of a consumer to a particular category and Determination of tariff for a particular category of consumer is the prerogative of the Commission. CSPDCL, in the capacity of Distribution Licensee, requests the Commission to protect its ARR for FY 2025-26 in case it considers the suggestion of objector.

b. Steel Industries are being billed near to the ACoS (105%), as per the Tariff Order issued by the Commission for FY 2024-25. Further, they are entitled to rebate of 5% on energy charges, if the industries are located in Bastar or Sarguja areas. In addition, Steel Industries connected to 33 kV and 11 kV Voltages are entitled to 30 Hours 'power off' per month for calculation of Load Factor. As per the consumption data, the HV-4 Steel Industries category consumers are getting an average of approximately 10% rebate on Energy Charges as Load Factor rebate. Considering this quantum of rebate, the ABR of Steel Industry works out to less than the ABR approved by the Commission for FY 2024-25. As the Steel Industries are already being provided many such benefits, any increase in Load Factor rebate may adversely affect the financial health of CSPDCL. CSPDCL requested the Commission to consider all the facts, including the rebate that steel industries are getting at present, before taking any decision in the matter.

However, determination of tariff for a particular category of consumer is the prerogative of the Commission. CSPDCL, in the capacity of Distribution Licensee, requests the Commission to protect its ARR for FY 2025-26 in case it considers the aforesaid suggestion.

c. The purpose of 'power off' hours is to compensate power intensive industries for interruptions. The Commission has provided for 'power off' hours duration of 30 hours in the Tariff Order for FY 2024-25. The 'power off' hours of 30 hours given to power intensive industry are sufficient to take care of interruption, exigencies and maintenance work during a month. Accordingly, proposal of the objector for any increase in power off hours should not be considered.

d. The Commission has introduced the FPPAS formula consistent with the Electricity (Amendment Rules) 2022 notified by the Central Government. FPPAS is calculated as per the methodology specified by the Commission in FPPAS Regulations 2023 and as per Tariff Order issued for the financial year. While calculating FPPAS, full transparency is maintained, all relevant documents are uploaded on the Company website and the amount of FPPAS, so calculated and manner of determination of the same, is communicated to the Commission. The gist of FPPAS computation is also widely publicised by CSPDCL in the leading newspapers of the State.

FPPAS is levied on the basis of actual variation in cost of fuel and power purchase and transmission charges for the power procured in the n^{th} month. It is an "adjustment surcharge", which is market dependent, and hence, the prayer for making it "zero" is not correct or feasible.

e. Availing 20% additional demand is not a right of the consumer. Earlier, this facility was provided to consumers covered under ToD tariff, by the Commission in order to promote consumption during off-peak hours. However, in the Tariff Order for FY 2024-25, this facility was withdrawn by the Commission, in view of the rationalization of the ToD usage of power.

f. CSPDCL is carrying out billing in accordance with the provisions approved by the Commission and there is no need for changes in the same. As the facility to avail 20% additional demand during off-peak hours has been withdrawn by the Commission in the Tariff Order for FY 2024-25, hence, the observation raised by the applicant is not appropriate.

g. The advance payment rebate already exists in the Tariff Design. A rebate of 0.5% on Energy Charges is applicable, provided, the amount of advance payment is more than Rs. 20,000/-.

h. The suggestion for 15 days billing cycle is impractical and there is no need to change
the present procedure of billing, as determined by the Commission in MYT and Tariff Orders. Also, the objector has not provided any rationale behind 15 day billing cycle.

i. Surcharge on late payment is levied on the basis of rates issued by the Commission As per the prevailing Tariff Order, late payment surcharge at the rate of 1.5% is levied on payment after the due date.

j. Billing of excess demand is done as per the rules and procedures prescribed by the Commission through the Tariff Order. The system is necessary for running the distribution system smoothly and maintain discipline in the electricity demand. Hence, any change in this clause will not be justified.

k. According to CSERC (Grid interactive Distributed Renewable Energy Sources) (Second Amendment) Regulations, 2023, Transmission charges are payable by those solar plants that achieve commercial operation (COD) after 27.12.2023. All generators who have a connectivity with the Grid and transmits power have to share transmission charges for supply of power, otherwise there will be under recovery of Transmission and Distribution charges, accordingly, keeping transmission distribution charges for solar plants at par with the short term open access customer is not justified and should not be accepted.

Cross subsidy surcharges are imposed for availing power from a source other than the distribution company where it is located, to compensate the distribution licensee for its loss of revenue. Therefore, Cross subsidy surcharges should not be waived off.

Commission's View

The Commission has addressed the issue of Load Factor Rebate for HV4-Steel Industries Category as detailed in the Tariff Philosophy Chapter and other terms and conditions of tariff in the relevant Chapter of this Order. The Commission has made a provision for a flat 30 hours per month of power-off (non-supply) across all voltage levels (11 kV, 33 kV, 132 kV, and 220 kV). The ToD tariffs have been elaborated in relevant Chapter of this Order. As elaborated earlier, the FPPAS mechanism has been specified in the Amendment to the CSERC MYT Regulations, 2021 in accordance with the EA 2003 and MoP Rules, for recovery/adjustment of the variation in power purchase rates. The advance payment rebate has been increased from existing level of 0.5% to 1.25%, as elaborated in the relevant Chapter of this Order. The Commission has not approved any change in the billing cycle for HV-4: Steel Category, as there does not appear to be any justification for the same.

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

2.4.61. Issues Faced by Farmers in the Agricultural Sector

The objector submitted that the farmers in Chhattisgarh face critical electricity related challenges and requested that agricultural electricity tariffs be kept low and not be increased in a manner that burdens farmers. The objector also requested urgent repair or replacement of damaged poles and lines, prompt issuance of pending agricultural connections (some pending since 2017-18), and at least 10 hours of daily power supply split evenly between day and night.

The objector also requested swift transformer repairs and removal of incorrect commercial charges from agricultural bills.

Petitioner's Reply

CSPDCL submitted that as per the prevailing tariff for FY 2024-25, agricultural consumers are charged Rs. 5.30 per unit and Rs. 100 per HP per month, however, under the State's Atal Jyoti Yojana, BPL farmers receive free electricity for up to 6000 to 7500 units annually, effectively resulting in no billing within this limit. CSPDCL ensures reliable power supply by adhering to the Standards of Performance (SOP) notified by the Commission. Additionally, under the Atal Jyoti Yojana, power is supplied for 8 hours daily (5-9 AM and 5-9 PM), and any extension of hours depends on power availability and regulatory directives. The Commission also issues necessary policy and operational directions, which CSPDCL implements in accordance with the prevailing conditions.

Commission's View

The issues raised do not pertain to the true-up petition for FY 2023-24 and Tariff Petition for FY 2025-26 filed by the Utilities.

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

2.4.62. Inclusion of Retired Employees in Welfare Trust and Extension of Cashless Medical Scheme

The objector requested the Commission to:

(a) bring the proposed employee welfare trust under the Indian Trust Act to ensure proper governance and inclusion of all retired employees, and

(b) extend the existing cashless medical scheme, currently applicable only to serving employees, to retired employees of the Electricity Board as well. The objector requested the Commission to address medical expense provisions for all employees under the Factories Act.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The issue is not related to the subject matter of true-up petitions for FY 2023-24 and tariff petitions for FY 2025-26 filed by the Utilities.

2.4.63. Request for Waiver of 5% Additional Charges under Clause 3.4 of CGSESC

The objector submitted that NSL currently draws power through a 220 kV DCDS line and is being levied an additional 5% energy charge as per Clause 3.4 of the Chhattisgarh Electricity Supply Code and tariff schedule for exceeding standard voltage-wise limits. However, the objector submitted that this surcharge is unjustified as the line capacity has been technically upgraded by replacing Zebra conductors with Moose conductors (2x268 MVA), a project jointly executed by CSPTCL, CSPDCL, and NSL. Given the technical upgrade and significant investments (including Rs. 372 Crore in transmission infrastructure), the objector requested the Commission to waive the additional 5% surcharge in the interest of industrial sustainability and economic development of the Bastar region.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The surcharge is being levied in accordance with the Supply Code. However, in order to give some relief, the Commission has modified the special rebate in energy charges for consumers located in "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).

2.4.64. Repeated Grid Disturbances and Request for Early Installation of Additional 500 MVA ICT at Parchanpal

The objector submitted that it has been facing repeated grid disturbances and blackouts over the past three months due to inadequate transformer capacity at CSPTCL's 400/220 kV Parchanpal substation. Currently, only one 315 MVA ICT is operational, and its failure leads to complete loss of power to NSL. These outages have severely affected plant operations and production. The objector further highlighted the need for grid redundancy at such critical nodes in line with standard planning norms. CSPTCL has proposed installing a 500 MVA ICT in its Capital Investment Plan (FY 2025-30). The objector requested the Commission to acknowledge the issue and direct early approval and commissioning of the additional ICT to ensure reliable power supply and operational continuity.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The Commission's decision on the capex schemes and capitalisation proposed by CSPTCL are elaborated in the CIP Order dated 08.08.2025 in Petition No. 100/2024 filed by CSPTCL.

2.4.65. Upgradation of Energy Meter for Accurate ToD Billing

The objector submitted that there is a billing issue related to the Time-of-Day (ToD) tariff introduced from October 2024. Although ToD billing is being applied, the energy meter at NSL's premises have not yet been upgraded to a ToD-compatible version. Despite this, NSL is being billed under the new structure and paying a monthly meter rent of Rs. 25,000. The objector requested the Commission to direct CSPDCL to urgently upgrade the energy meter to ensure accurate and transparent billing aligned with the ToD mechanism.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The issue is not related to the subject matter of True-up Petitions for FY 2023-24 and Tariff Petitions for FY 2025-26 filed by the Utilities. However, CSPDCL is directed to take necessary corrective actions to ensure accurate and transparent billing, aligned with the ToD mechanism approved by the Commission, in case the same has not been done yet.

2.4.66. Tariff Relief for Domestic Consumers

The objector submitted that the middle-class consumers consuming 401-1200 units/month are bearing high electricity charges almost equal to commercial rates despite having no government support and facing declining purchasing power. A separate tariff category with lower rates is requested for this slab to provide relief.

Petitioner's Reply

CSPDCL submitted that as per the prevailing tariff, Domestic consumers are sub-classified in 5 telescopic unit slabs of 0 to 100 units, 101-200 units, 201-400 units, 401-600 units, and more than 600 units. The present classification is sufficient and CSPDCL does not see any merit in further classifying the category to more slabs. RDSS scheme also envisages for tariff simplification with objective to improve billing efficiency and reduce complexity in revenue management.

Commission's View

It may be noted that consumers consuming in excess of 400 units/month are getting the benefit of lower telescopic tariff for the consumed units up to 400 units/month, hence, the effective ABR will be lower than the tariff applicable for the consumption above 400 units/month.

The tariff philosophy adopted by the Commission while determining the category-wise tariff for FY 2025-26 is given in the relevant Chapter of this Order. The detailed Tariff Schedule applicable for FY 2025-26 is given in the Tariff Schedule Chapter of this Order.

2.4.67. Compensation Mechanism

The objector submitted that the Electricity (Rights of Consumers) Rules, 2020 should be amended to explicitly include compensation for services like shifting electric poles/transformers, as current ambiguity allows Forums to deny legitimate claims.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The issue raised by the Objector is not related to the Petitions filed by the Utilities for true-up for FY 2023-24 and tariff determination for FY 2025-26. Also, it may be noted that the Rules are notified by the Ministry of Power, Government of India, and the Commission has no jurisdiction over the same.

2.4.68. Parity in Demand Charge Waiver for 132 kV Consumers

The objector submitted that currently, 33 kV consumers receive a 50% waiver on Contract Demand charges if their load factor falls below 15%, but no such relief is available for 132 kV consumers under similar conditions. The objector requested to extend this 50% waiver benefit to 132 kV consumers as well when their load factor drops below 15%.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The tariff philosophy adopted by the Commission, while determining the category-wise tariff for FY 2025-26 is given in the relevant Chapter of this Order. The detailed tariff schedule applicable for FY 2025-26 is given in the tariff schedule chapter of this order.

2.4.69. Reclassification of Printing Industries under LV5- LT Industries

The objector submitted that printing industries should be classified under the LV-5 (Low Voltage Industrial) tariff category, it is submitted that this reclassification would ensure equitable treatment in line with Article 14 of the Constitution and Section 62(3) of the Electricity Act, 2003. The stakeholder requested the Commission to grant LV-5 tariff status to printing industries to ensure parity with other similarly placed industrial consumers.

Petitioner's Reply

CSPDCL submitted that the matter is currently sub judice under Petition No. 19 of 2025 before the Commission, which will decide the classification through appropriate orders.

Commission's View

The Commission has shifted offset printers and printing presses from the LV-2 Commercial category to the LV-5 Industrial category.

2.4.70. Centralized window/facility for bulk EB Connection Name Change

The stakeholder submitted that a centralized digital window for bulk name changes of electricity connections across Chhattisgarh for their telecom towers should be facilitated. The objector is ready to pay applicable statutory, and processing fees and seeks administrative ease in updating consumer names.

Petitioner's Reply

CSPDCL submitted that the procedure for changing the name of an existing consumer follows Clauses 7.24 to 7.26 of the Chhattisgarh Electricity Supply Code, 2011, and must be done individually for each service connection (BP No.), involving different field officer levels based on Contract Demand. Due to regional dispersion of connections, a centralized single-window system is impractical. However, an online application facility is available, offering a similar convenience.

Commission's View

The issue raised by the Objector is not related to the Petitions filed by the Utilities for true-up for FY 2023-24 and Tariff determination for FY 2025-26.

2.4.71. Single Window for Sanctioned Load Upgrade

The objector submitted that a centralized, single-window platform at the State level for processing sanctioned load upgrade for telecom infrastructure across multiple sites should be introduced. The current decentralized process at the subdivision level is time-consuming and inefficient, leading to operational delays and monthly penalties of approximately Rs. 20 lakhs. A unified system would streamline operations and reduce financial burden.

Petitioner's Reply

CSPDCL submitted that load enhancement follows the procedure outlined in the Chhattisgarh State Electricity Supply Code, 2011 (Clauses 7.3 to 7.7), which requires separate technical surveys and approvals for each service connection (BP No.). Due to the region-specific nature of these connections, a centralized single-window system is not feasible. However, CSPDCL offers an online application facility for load enhancement, which functions similarly to a single-window process.

Commission's View

The issue raised by the Objector is not related to the petitions filed by the Utilities for true-up for FY 2023-24 and tariff determination for FY 2025-26.

2.4.72. Tariff Reform and Power Subsidy to Boost Poultry Sector in Chhattisgarh

The objector submitted that the high electricity tariffs for poultry farms in Chhattisgarh under the "LV-4: Agriculture Allied Activities" category, has stifled sectoral growth compared to States like Odisha with much lower tariffs. The objector requested the government to provide 24x7 uninterrupted power and a 100% electricity duty exemption to support the goal of making Chhattisgarh a "Protein Hub by 2030," thereby encouraging investment, job creation, and rural entrepreneurship.

Petitioner's Reply

CSPDCL submitted that current energy charges range from Rs. 5.30 to Rs. 6.25/unit depending on load and demand structure. In contrast, Odisha offers significantly lower tariffs (Rs. 1.60/unit and nominal fixed charges), attributed to its lower average cost of supply (Rs. 5.46/unit vs. Chhattisgarh's Rs. 7.98/unit). CSPDCL submitted that tariff determination lies solely with the Commission, which must also ensure revenue recovery (ARR). On uninterrupted 24x7 supply to poultry farms, CSPDCL reaffirmed its commitment to quality power but cited that outages due to demand surges or generator failures follow CSERC's Load Management Procedure. CSPDCL also noted that electricity duty reductions fall under the State Government's purview.

Commission's View

The issues raised are not related to the Petitions filed by the Utilities for true-up for FY 2023-24 and Tariff determination for FY 2025-26. Further, the issue of Electricity Duty and its exemption or otherwise are not within the purview of the Commission.

2.4.73. Fair Electricity Access to Farmers

The objector submitted that, Chhattisgarh being a power-surplus State, there should be no increase in electricity tariffs for any category, especially agriculture, as the State government bears their electricity costs and called for the complete discontinuation of the Atal Jyoti Yojana still operating in some districts, despite being officially closed.

The objector submitted that farmers are unfairly charged due to electricity theft from feeder lines and requested installation of individual meters to ensure accurate billing. Regular meetings between distribution company officials and farmers are recommended for better communication. Lastly, the objector raised the issue of farmers being wrongly included in the flat-rate billing scheme without consent and suggested transferring them to the appropriate agricultural category.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

CSPDCL has been directed to ensure proper metering of the agriculture connections so that billing is based on actual consumption However, other issues raised by the Objector are not related to the petitions filed by the Utilities for true-up for FY 2023-24 and tariff determination for FY 2025-26.

2.4.74. Manpower Shortage and Budget Deficit

The objector submitted that the approved requirement under annual state revenue for operations and maintenance was Rs. 1,308.04 Crore, but only Rs. 1,168.50 Crore was provisioned resulting in a shortfall of Rs. 139.54 Crore. This funding gap reflects the ongoing issue of non-recruitment of technical staff and engineers. Despite retirements, only about 50% of vacant engineer positions are being refilled, and that too with significant delays, which has caused acute manpower shortages at critical points such as substations and transmission lines, affecting the reliability and safety of power operations.

The objector submitted that the department is increasingly dependent on retired personnel and short-term contract workers (like apprentices), while lacking a clear and transparent recruitment policy raising serious concerns about operational efficiency and accountability.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The issues raised are not related to the Petitions filed by the Utilities for true-up for FY 2023-24 and Tariff determination for FY 2025-26.

2.4.75. Underestimated Retirement Projections Lead to Pension Overspend

The objector submitted that the approved amount for pension and related expenses was Rs. 768.40 Crore. However, in the true-up, an actual expenditure of Rs. 895.21 Crore has been shown, which is an excess of Rs. 126.81 Crore. This clearly indicates that the number of employees retiring in the past year was significantly higher than what had been projected by the Company in the previous Petition.

Petitioner's Reply

The Petitioner has not submitted any reply in this regard.

Commission's View

The Commission has approved the contribution towards Pension and Gratuity for FY 2023-24 in line with the amount approved in the Tariff Order dated 13th April 2022 and the actual expenses incurred by the Companies in this regard.

3 REVIEW OF ORDER FOR FY 2024-25 FOR CSPDCL

Background and Grounds for Review

The Commission issued the Tariff Order on 1st June 2024 in Petition No. 09/2024, wherein the Commission approved the final true up of FY 2022-23 for CSPDCL, re-determined the ARR for FY 2024-25, and determined the retail tariff for FY 2024-25.

CSPDCL filed a Review Petition in Petition No. 75/2024 on 12th September 2024 on the tariff order issued in petition no. 09/2024. CSPDCL submitted that in the tariff order dated 1st June 2024, there are certain issues related to the rate of interest on working capital for computation of carrying cost on Past Gap for FY 2022-23, and non-inclusion of notional revenue of Rs. 595.18 Crore in the computation of IoWC against revenue from metered agriculture connections in the true-up for FY 2022-23.

CSPDCL submitted that since the matter is sub-judice and no final orders have been issued, hence, the claim against the instant petition has not been included in the tariff petition for FY 2025-26.

The Commission heard CSPDCL on the matter on 9th December 2024 wherein decided to dispose the petition along with tariff petitions filed by Chhattisgarh State Power Companies for approval of ARR for FY 2025-26. Accordingly, conducted public hearing on 19/06/2025, 20/06/2025 and 30/06/2025 along with aforesaid tariff petitions.

Further, CSPDCL amended the Review Petition in Petition No. 75/2024, by way of the additional submission dated 16th June 2025, in which it submitted concerns regarding the incorrect adjustment of the excess VCA collected in July 2022.

Commission's View

The Commission has issued a separate Order dated 8th July 2025 on the Review Petition filed by CSPDCL in Petition No. 75/2024, wherein the Commission has decided in favor of CSPDCL on one issue only i.e. erroneous treatment of excess VCA collected in July 2022.

Hence, the impact of the above issue allowed in Review has to be added to the ARR of FY 2023-24, along with the associated carrying cost.

The interest rate considered for computing the carrying cost on the above amount has been considered as 7.50%, rather than 9.16% as considered by CSPDCL, in accordance with the Commission's ruling on the first issue under Review.

Hence, the amount to be added to the ARR of FY 2023-24 works out to Rs. 48 Crore, which has been included in the true-up of ARR for FY 2023-24 under the head 'Impact of Review Petition'.

4 TRUE UP OF INPUT COAL PRICE AT GARE PALMA-III MINE END FOR ABVTPS

4.1 Background

CSPGCL has submitted the Petition for True up of the Capital Cost as well as True up of the input price of coal from Gare Palma-III (GP-III) mine for FY 2023-24.

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

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

Table 4-1: Description of GP-III Coal Block

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

Further, the Commission vide its Order dated 19.06.2024 in Petition No. 10 of 2024 (T) approved the true up of the input price of coal from Gare Palma-III (GP-III) mine for FY 2022-23.

The declared peak capacity is 4 MTPA currently due to only over ground mining, as explained subsequently.

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

Further, the excess/under-recovery due to difference between the input price of coal as allowed in the Tariff Order and the true-up, has been dealt in the manner settled by the Commission in the previous Tariff Order dated June 1, 2024 in Petition No. 10/2024.

Commission's View

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

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

As per Regulation 49.3 of the MYT Regulations 2021, the input price of coal from GP-III mine shall be determined by the Commission. The Commission has determined the input price of coal from GP-III mine for the first time in the MYT Order dated April 13, 2022 in Petition No. 1/2022 for the period from FY 2022-23 to FY 2024-25. In this Order, the Commission has carried out True up of input price of coal from GP-III mine along with approval of additional capital expenditure of GP-III mine for FY 2023-24. The trued-up input price of coal from GP-III mine for FY 2023-24 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 2023-24.

4.2 Base Data and Methodology followed in the Petition

CSPGCL's Submission

CSPGCL submitted that for computation of input price or the transfer price of coal, in the instant Petition, the methodology as settled in the previous true up order for FY 2022-23 has been generally adopted. CSPGCL submitted that however, two (2) major changes have occurred during the year, which are 'Change in Law' in nature. Hence, the impact of such changes are pass through.

The first one relates to change in one of the components of Statutory Charges (Royalty, DMF, NMET, Environment Cess, Infrastructure Development Cess and Forest Tax). Out of the six, one tax, i.e., the "Forest Tax" has undergone revision w.e.f. 1st November 2023. Forest Tax was 26.225% of Rs 57 per tonne, i.e., Rs 14.95 for the period from April to October, 2023 and 31.405% of Rs 57 per tonne, i.e., Rs 17.90 per ton for the period from November 2023 to March 2024.

The other change was the revision in the rate of “FRP” with retrospective effect. As FRP is a separate component of Input Price computation, the extent and impact of the same has been dealt in detail in relevant Section.

As settled in the previous Petition, the cost of transportation of coal from mine to the power plant (as is applicable in case of other plants too), and transit loss, cost of sampling, etc. is covered in the true up Section.

Commission’s View

The Commission in the True up of FY 2022-23 has finalised the framework for prudence check for true up of Input price of coal from GP-III Mine. The Petitioner has submitted the Petition on similar basis except revision in Forest tax and FRP. The Commission has verified all the relevant Government Notifications for levy of Statutory charges as claimed in the True up Petition.

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

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

The Commission has considered the rates of FRV and Forest Tax as claimed by CSPGCL, as the same are pass through on account of Change in Law.

Also, the Commission has verified the excavation quantity, dispatch from mine, Statutory Charges, and Annual Target Quantity based on the actuals provided along with the True-up Petition and approves the same for true up of Input price of coal.

4.3 Capital Cost

CSPGCL’s submission

CSPGCL submitted that the Commission, in the Order dated 01.06.2024 in Petition No. 10 of 2024, approved the closing GFA of Rs. 826.39 Crore for FY 2022-23, which has been considered as the opening GFA for FY 2023-24. The actual expenses incurred in acquisition of land / surface rights/ R&R / land development, etc., are considered for additional capitalization.

In this regard, three important developments took place, which directly qualify for additional capitalisation under the provisions of Regulation 56.2 of the MYT Regulations, 2021. The details have been submitted in the CIP Petition submitted separately. The same is briefly submitted as under:

a) Payment of Rs 23.26 Crore (50% share) against Demand Note issued by SDO (Revenue) Gharghoda totalling Rs. 46,52,15,000/- towards R&R of Project Affected Families (PAF) of village Bhalumar, based on rate of compensation decided by Revenue authorities @ 9,55,000/- to each General and OBC family (203 families) and @10,05,000/- to each ST and SC family (270 families).
b) Payment of about Rs 2.43 Crore (50% share) against Demand Note issued by SDO (Revenue) Gharghoda for one time compensation to Project Affected Persons (PAPs) @ Rs five lakh per person.

c) Payment of about Rs 1.09 Crore against Demand Note issued by DFO Raigarh for tree cutting on private land of GP III block.

CSPGCL submitted that as regards the first two components, the Commission vide letter dt. 27 January, 2020 took a view that rate of compensation to the land owners does not come under the purview of Section 86 of the EA 2003. The same view has been adopted and reiterated in all subsequent Orders. The view that compliance of orders of Government Revenue authorities meets the yardstick of compliance of law, has also been appreciated. Accordingly, the two expenses qualify for consideration as capitalization. The third one is also in compliance of law and is a basic requirement of mine development and as such satisfies the criterion laid down under Regulation 56.2.

Other than the above, miscellaneous expense of about Rs 1.6 lakh has also been capitalised, which is related to furniture, office equipment including computer, printers, etc.

Table 4-2: GP III Capital Cost Scheme wise Capital Cost Addition (Rs. Crore)

Sr. No.	Description	Scheme Cost	Up to FY 2022-23	FY 2023-24	Up to FY 2023-24
1	Land acquisition of village Bhalumar for Rehabilitation and resettlement (R&R) of project affected families of village Bajarmuda	23.26	-	23.26	23.26
2	One Time Settlement payment to PAPs in lieu of employment	23.175	5.78	2.43	8.20
3	Construction of Rest house, office building and other works	7.61	-	-	-
4	Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding	2.65	1.33	-	1.33
5	Tree felling (Payment to Forest Department)	3.09		1.09	1.09
6	Miscellaneous			0.02	
7	**Total**		**7.11**	**26.79**	**33.88**
Note: (1) Miscellaneous incudes minor items covered under contingency					

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

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

Commission's View

<u>Additional Capitalisation in FY 2023-24</u>

Regulation 56.1 of the MYT Regulations, 2021 specifies the conditions for considering Additional Capital Expenditure, as reproduced below:

"56.1 The expenditure, in respect of the integrated mine(s), incurred or projected to be incurred after the date of commercial operation and up to the date of achieving the Peak Rated Capacity may be admitted by the Commission, subject to prudence check and shall be capitalized in the respective year of the tariff period as additional capital expenditure corresponding to the Annual Target Quantity of the year as specified in the Mining Plan or actual extraction in that year, whichever is higher, on following counts:

(a) expenditure incurred on activities as per the Mining Plan;

(b) expenditure for works deferred for execution and un-discharged liabilities recognized for works executed prior to date of commercial operation;

(c) expenditure for works required to be carried out for complying with directions or orders of any statutory authorities;

(d) liabilities arising out of compliance of order or decree of any court of law or award of arbitration;

(e) expenditure for procurement and development of land (including but not limited to expenditure incurred on R&R of land oustees) as per the Mining Plan;

(f) expenditure for procurement of additional heavy earth moving machineries for replacement, on completion of their useful life; and

(g) liabilities due to Change in Law or Force Majeure events in order to mitigate threat to life and property;

Provided that in case of replacement of any assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization:

Provided further that the generating company shall prepare guidelines for procurement and replacement of heavy mining equipment such as Healy Earth Moving Machineries and share the same with the beneficiaries and submit it to the Commission along with its petition."

The Commission has carried out prudence check of Additional Capitalisation done in FY 2023-24 as per the above principles.

Land acquisition of village Bhalumar for Rehabilitation and resettlement (R&R) of project affected families of village Bajarmuda

The Commission notes that project expenses include compensation for land. The land acquisition has been made and compensation has been paid in accordance with the Orders of the revenue authorities. The Office of SDO (R) Ghargoda vide its letter no. 1654/Bhoo-Arjan/2023 dated 10.07.2023 had further demanded funds for land acquisition in the village of Bhalumar for Rehabilitation and Resettlement (R&R) of project affected families of village Bajarmuda. CSPGCL has previously approached the Commission vide letter no. 03-09/Reg-2/49 dated 20/10/2020 to grant in-principle approval for the compensation to be paid towards land. In response, the Commission vide letter no. 13-GH30/ 2020/186 dated 27.01.2020 replied that the matter of approval of rate of compensation to be paid to the land owners does not come under the jurisdiction of the Commission. The relevant extract of the Commission's communication 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."

The land compensation has been paid as per the Demand Note raised by the Competent Authority. The Commission had provisionally approved Rs. 12.64 Crore towards Payment of compensation of land for obtaining surface right of remaining one village Bajarmuda in the MYT Order dated April 13, 2022 in Petition No. 1/2022. As per Regulation 56.1(e), expenditure for procurement and development of land (including but not limited to expenditure incurred on R&R of land oustees) is allowable as Additional Capital Expenditure. The demand has been revised to Rs. 23.26 Crore by the Sub-Divisional Officer (Revenue). CSPGCL has now claimed expenditure of Rs. 23.26 Crore on this account, which has been paid in FY 2023-24. Hence, the Commission approves the additional Capitalisation of Rs. 23.26 Crore in FY 2023-24 on this account.

One-Time Settlement payment to PAPs in lieu of employment

CSPGCL submitted that Payment of about Rs 2.43 Crore (50% share) against Demand Note issued by SDO (Revenue) Gharghoda for one-time compensation to Project Affected Persons (PAPs) has been made in FY 2023-24. The Commission has in the past allowed the same as the Commission has ruled that compensation allowed to be paid to the land owners does not come under the jurisdiction of the Commission. Hence, the Commission has approved the same after verification of the documents submitted by CSPGCL.

Others

CSPGCL has submitted that it has paid about Rs 1.09 Crore in compliance of a Demand Note issued by DFO Raigarh for tree cutting on private land of GP III block. CSPGCL also submitted that Rs. 0.02 Crore expenditure has been incurred for minor Furniture and fixtures, which are required for the project. Considering that the expenditure was done due to essential development of the coal mine and payment to forest department is as per Law and as per demand note raised by the competent authority, the Commission allows Rs. 1.09 Crore for the same. The Commission allows Rs. 1.6 Lakh for minor expenditure against furniture and appliances for site office.

Based on the above, the capital cost approved by the Commission for GP-III mine for True up of FY 2023-24 is as under:

Table 4-3: Approved Additional Capitalisation of GP-III Mine for True up of FY 2023-24 (Rs. Crore)

Sr. No.	Description	Scheme Cost	Up to FY 2022-23	FY 2023-24	Up to FY 2023-24
1	Land acquisition of village Bhalumar for Rehabilitation and resettlement (R&R) of project affected families of village Bajarmuda	23.26	-	23.26	23.26

Sr. No.	Description	Scheme Cost	Up to FY 2022-23	FY 2023-24	Up to FY 2023-24
2	One Time Settlement payment to PAPs in lieu of employment	23.175	5.78	2.43	8.20
3	Construction of Rest house, office building and other works	7.61	-	-	-
4	Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding	2.65	1.33	-	1.33
5	Tree felling (Payment to Forest Department)	3.09		1.09	1.09
6	Miscellaneous			0.02	
7	**Total**		**7.11**	**26.79**	**33.88**
Note: (1) Miscellaneous incudes minor items covered under contingency					

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 650 metre Coal Transport Road constructed by M/s. Gare Palma Collieries Limited and proposal of another 950 metre road, Railway Siding expenses at Mine-end and arbitration cases with the Mine Developer and Operator (MDO). At present, CSPGCL has not claimed any amount against the unsettled issues, however, depending on the outcome of these issues there may be liabilities to be incurred by CSPGCL in future. The Commission notes the submissions of CSPGCL and directs CSPGCL to submit the details of all additional liabilities that may be incurred by it post resolution of unsettled issues, if any, along with supporting documents and justification in future Tariff Petitions. The Commission shall allow the same subject to prudence check at the appropriate time.

Capitalisation and Closing GFA

The Capitalization and Closing GFA of GP-III mine for True up of FY 2023-24 are shown in the following Table.

Table 4-4: Opening GFA, Capitalisation and Closing GFA for GP-III Mines for True up of FY 2023-24 (Rs. Crore)

Particulars	MYT Order	Petition	Approved
Opening GFA	983.41	826.39	826.39
Capitalisation	7.04	26.79	26.79
Closing GFA	990.45	853.17	853.17

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 lower than the normative level of 70% of capital cost. The Commission in true up of FY 2021-22 and FY 2022-23 has considered the normative debt: equity ratio of 70:30 for GP-III mine. Accordingly, the Commission has considered the normative debt: equity ratio of 70:30 for the additional capitalisation amount for GP-III mines for True up of FY 2023-24, as shown in the Table below:

Table 4-5: Approved Funding of Additional Capitalisation for GP-III Mines for FY 2023-24 (Rs. Crore)

Particulars	MYT Order	Petition	Approved
Equity	5.59	8.04	8.04
Debt	13.04	18.75	18.75
Total	**18.63**	**26.79**	**26.79**

4.4 Computation of Input Price of Coal

CSPGCL's submission

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

"51. The input price of coal from the integrated mine(s) of the generating station(s) for the tariff period FY 2022-25 shall be trued up yearly for:

a) the capital expenditure including additional capital expenditure incurred as allowed by the Commission;

b) the capital expenditure including additional capital expenditure incurred on account of Force Majeure and Change in Law.

c) the capital expenditure including additional capital expenditure incurred to mitigate threat to life and property.

c) The O&M expenses in accordance with applicable provisions of these Regulations."

Commission's View

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

*"**52. Input Price of coal:***

52.1 Input price of coal or lignite from the integrated mine(s) shall be determined based on the following components:

I) Run of Mine (ROM) Cost; and

II) Additional charges:

a. crushing charges.

b. transportation charge within the mine up to the washery end or coal handling plant associated with the integrated mine, as the case may be;

c. handling charges at mine end;

d. washing charges; and

e. transportation charges beyond the washery end or coal handling plant, as the case may be, and up to the loading point:

Provided that in cases where the transportation is in two stages i.e from mine to the storage yard and then from the yard to the plant, the transportation charge shall imply cumulative of the two.

Provided that one or more components of additional charges may be applicable in case of the integrated mine(s), based on the scope and nature of the mining activities;

52.2. Statutory Charges, as applicable, shall be allowed."

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

"53.2. Run of Mine Cost of coal in case of integrated mine allocated through allotment route under Coal Mines (Special Provisions) Act, 2015 shall be worked out as under:

ROM Cost = [(Annual Extraction Cost / ATQ) + Mining Charge]+ (Fixed Reserve Price).

Where,

(i) Annual Extraction Cost is the cost of extraction of coal as computed in accordance with Regulation 36F of these regulations;

(ii) Mining Charge is the charge per tonne of coal paid by the generating company to the Mine Developer and Operator engaged by the generating company for mining, wherever applicable; and

(iii) Fixed Reserve Price is the fixed reserve price per tonne along with subsequent escalation, if any, as provided in the Coal Mine Development and Production Agreement."

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

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

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

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

4.4.1 Depreciation

CSPGCL's submission

Depreciation has been calculated as per the Regulation 25 of the MYT Regulations, 2021 and in line with the methodology adopted in the Tariff Order. The depreciation rate has been considered in accordance with Appendix 1 A of the MYT Regulations, 2021. Further, as the expense incurred on statutory compliance is in the form of Fixed Deposit Receipt (FDR), which is not a depreciable asset, no depreciation has been claimed on the same.

Commission's View

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

"59. DEPRECIATION

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

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

Provided that,

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

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

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

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

Provided that the salvage value shall be:

i) zero for IT equipment and software;

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

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

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

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

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

For computation of depreciation, the Commission has considered the closing GFA of FY 2022-23 as the opening GFA for FY 2023-24. Since, FDR is not a depreciable asset, no depreciation has been considered on the same. Net Addition during the year has been worked out based on the Additional capitalisation allowed during FY 2023-24.

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

The Commission notes that the actual Weighted Average Depreciation rate works out to 5.00% instead of 5.17% as claimed by CSPGCL. The difference is due to consideration of depreciation of kutcha roads and temporary erections by CSPGCL in FY 2023-24, despite the asset being completely depreciated in FY 2022-23.

The depreciation approved by the Commission for FY 2023-24 is as under:

Table 4-6: Depreciation Approved for FY 2023-24 (Rs. Crore)

Particulars	Petition	Approved
Opening Capital Cost	826.39	826.39
Closing Capital Cost	853.17	853.17
Average Capital Cost	839.78	839.78
Depreciable Value (100%)	834.27	834.27
Rate of Depreciation	5.17%	5.00%
Depreciation	**43.16**	**41.67**
Cumulative Depreciation up to FY 23-24	**114.81**	**113.32**

4.4.2 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 2023-24, CSPGCL has got loan sanctioned from the consortium of PFC and REC with both the lenders having 50% share of the amount of loan. CSPGCL has considered the weighted average rate of interest on the basis of actual loan portfolio as per Regulation 58.4 read with the second proviso to Regulation 24.5 of the MYT Regulations, 2021. Accordingly, interest rate of 9.50% has been considered in the Petition. Also, as per the provisions of the MYT Regulations, 2021, the depreciation has been considered as normative repayment for the year.

Commission's View

Regulation 24 and 58 of the MYT Regulations, 2021 specify the method of computation of Interest and Finance charges for loan capital. The Commission has considered the opening normative loan for FY 2023-24 equal to approved closing normative loan for FY 2022-23. The addition of loan during FY 2023-24 has been considered equal to debt portion of net capitalised works as approved in this Order. The loan repayment has been considered equivalent to Depreciation approved in this Order.

The Commission has verified the actual weighted average interest rate at the start of the year. The Commission has considered the same in accordance with Regulation 58.4 read with the second proviso to Regulation 24.5 of the MYT Regulations, 2021. Accordingly, the Commission has considered interest rate of 9.50% for calculation of interest for FY 2023-24. The interest on loan approved by the Commission for FY 2023-24 is shown in the Table below:

Table 4-7: Interest on Loan for GP-III mines approved for FY 2023-24 (Rs. Crore)

Particulars	Petition	Approved
Opening Loan	506.82	506.82
Addition Due to Addnl. Capitalisation	18.75	18.75
Repayment During the Year	43.16	41.67
Closing Loan	482.41	483.90
Average Loan	**494.62**	**495.36**
Interest Rate	9.50%	9.50%
Interest Charges	**46.99**	**47.06**
Finance Charges	0.00	0.00
Total Interest & Finance Charges	**46.99**	**47.06**

4.4.3 Return on Equity

CSPGCL's submission

CSPGCL submitted that RoE has been calculated in terms of Regulation 23.1 read with Regulation 17 of the MYT Regulations, 2021. The normative equity has been considered as 30% of the capital cost and the return on equity has been calculated on average of opening and closing equity. The base rate of return on equity has been considered as 14% in line with Regulation 23.1 of the MYT Regulations. The Commission has allowed actual Income Tax as separate pass through in the earlier Tariff Orders. As actual Income Tax for FY 2023-24 has been considered against the true up of Generating Stations, no additional loading in case of mine has been considered. Leave is craved for pass through of tax liabilities, if any, as and when they arise.

Commission's View

Regulation 23 and 58 of the MYT Regulations, 2021 specify the method of computation of RoE. The Commission has considered the opening equity for FY 2023-24 equal to closing equity for FY 2022-23 approved by the Commission in the true up of Input price of Coal of FY 2022-23. The addition of equity during FY 2023-24 has been considered equal to equity portion of capitalised works as approved in this Order. Further, return of 14% has been considered for FY 2023-24 on the average permissible equity base during FY 2023-24. 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 2023-24 is shown in the Table below:

Table 4-8: Approved RoE for GP-III mines for FY 2023-24 (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	247.92	247.92
Addition Due to Additional Capitalisation	8.04	8.04
Closing Equity	255.95	255.95
Average Equity	**251.93**	**251.94**
Rate of Return on Equity	14.00%	14.00%
Return On Equity	**35.27**	**35.27**

4.4.4 Operation and Maintenance Expenses

CSPGCL's submission

CSPGCL reproduced the Commission's relevant views on Operation and Maintenance Expenses as 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 the O&M expenses have been derived from the accounts. It is submitted that the same is lower than the 15% of MDO charges. In accordance with the Commission's directions CSPGCL has not claimed any gain on account of lower actual 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 2023-24, CSPGCL has submitted that the actual O&M expenses of Rs. 16.13 Crore are less than 15% of MDO charges. Based on the actuals as per Audited Accounts for FY 2023-24, the Commission approved the O&M expenses for FY 2023-24, as shown in the Table below:

Table 4-9: Approved O&M Expenses for GP-III mines for FY 2023-24 (Rs. Crore)

Particulars	Petition	Approved
HR Cost	10.39	10.39
M&G Cost	5.74	5.74
Total	**16.13**	**16.13**

4.4.5 Interest on Working Capital

CSPGCL's submission

CSPGCL submitted that the Interest on Working Capital (IoWC) has been calculated in line with Regulation 61 of the MYT Regulations, 2021. Accordingly, working capital requirement has been computed considering the input cost of coal stock for 7 days production, stores and spares including explosives, lubricants and fuel at 15% of O&M expenses, and O&M expenses for 15 days. Since, the normative O&M expenses has been approved as 15% of the MDO charges by the Commission, the same has been considered for projecting working capital requirement. CSPGCL has considered the interest rate as applicable for IoWC in FY 2023-24 for existing power plants.

Commission's View

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

"61. Interest on Working Capital:

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

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

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

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

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

Accordingly, the IoWC for FY 2023-24 has been computed in accordance with Regulation 61 of the MYT Regulations, 2021. The Commission has considered the input cost of coal stock for 7 days of production corresponding to the ATQ for FY 2023-24. Working capital for Spares has been worked out on the basis of 15% of the normative O&M expenses approved for FY 2023-24. Further, 15 days of O&M expenses have been considered in working capital for GP-III mines.

The actual sanctioned interest rate of 8.22% has been considered for computing the Interest on Working Capital in the truing up for FY 2023-24. The Interest on Working Capital allowed for FY 2023-24 is shown in the Table below:

Table 4-10: Interest on Working Capital Approved for GP-III mines for FY 2023-24 (Rs. Crore)

Particulars	Petition	Approved
Input Cost for 7 days of Stock	11.22	11.19
Spares as 15% of O&M Cost	7.37	7.37
Working capital for O&M	2.01	2.01
Total Working Capital Requirement	**20.61**	**20.58**
Rate of Interest on WC	8.22%	8.22%
Interest on WC	**1.69**	**1.69**

4.4.6 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 for Over Burden (OB) Adjustment. Hence, no OB Adjustment has been considered for FY 2023-24. 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 2023-24.

4.4.7 GCV Adjustment

CSPGCL's submission

CSPGCL submitted that as per the MYT Regulations, 2021, the impact of uncontrollable factors is a pass through. As the quality of coal from a coal seam is totally uncontrollable for a Generation Company, no adjustment in GCV of coal is required to be made. CSPGCL further submitted that the Directorate of Geology & Mining, Government of Chhattisgarh vide Order No. 5236 dated 7th October 2022 has declared GCV for different seams of the mine and there is no declared GCV for GP-III mine. Hence, adjustments in GCV in accordance with Regulation 66 of the MYT Regulations, 2021 is not applicable. The statutory charges are being paid in accordance with the seam-wise Grade declared vide above Order and as the impact of GCV of coal is embedded in the true up of the end use plants in comprehensive manner, no separate adjustment in GCV of coal is applicable. CSPGCL also submitted that the above does not imply that there has been any slippage of grade and any exemption is being sought against the same. On the contrary, during FY 2023-24, there were four seams available for excavation. The best coal grade declared is G-13, while the weighted average of coal as fired is also in the same range. Thus, there is no slippage in grade of coal. Rather, if the weighted average of seams is considered, then the actual GCV is better than the declared Grade. However, CSPGCL has not claimed any gain on this account, as GCV of coal extracted from GP-III mine is uncontrollable for CSPGCL.

Commission's View

Regulation 66.1 of the MYT Regulations, 2021 specifies that in case the weighted average GCV of coal extracted from the integrated mine(s) in a year is higher than the declared GCV of coal for such mine(s), no GCV adjustment shall be allowed. CSPGCL in its Petition has confirmed that actual GCV of coal is better than the declared grade, therefore, no adjustment in GCV of coal from GP-III Coal Mine has been carried out.

4.4.8 Non-Tariff Income (NTI) Adjustment

CSPGCL's submission

CSPGCL submitted that the adjustment of Non-Tariff Income, which is the interest attributable to FDR relating to GP-III mine (Rs. 5.51 Crore balance of FDR for FY 2023-24) has been passed in accordance with Regulation 67 of the MYT Regulations, 2021.

Commission's View

CSPGCL has considered the interest income on FDR of Rs. 3.01 Crore as Non-Tariff Income for FY 2023-24, in accordance with the amount reported in the Trial Balance of CSPGCL of FY 2023-24, which forms the basis for the Audited Accounts. CSPGCL has also provided the reconciliation of its Non-Tariff income claimed in the Petition with the amount reported in its Audited Accounts. The Commission has accordingly considered the Non-Tariff Income for FY 2023-24 as submitted by CSPGCL, as shown in the Table below:

Table 4-11: Non-Tariff Income Approved for FY 2023-24 (Rs. Crore)

Particulars	Petition	Approved
Non-Tariff Income	3.03	3.03

4.4.9 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 2023-24.

Commission's View

In line with the submission of CSPGCL, the Commission has not considered Mine Closure Expenses for GP-III mines for FY 2023-24.

4.4.10 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 the period under consideration, the base rate of coal for royalty computation has been considered at the same level as applicable for the equivalent grade of coal from SECL mine. The directions of the Commission and the online portal of Mineral Resource Department, Govt. of Chhattisgarh, also allows this methodology only. However, CSPGCL requested the Commission to allow it to make additional submissions or claim, if the authorities decide to review the rates of taxes with retrospective effect. The Statutory Charges considered for the purpose of calculation of input price are tabulated below:

Table 4-12: Statutory Charges for GP-III mines for FY 2023-24 as submitted by CSPGCL

Particulars	Rate	Applicable on
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	26.225% (April 2023 to October 2023) & 31.405% (Nov 2023 to Mar 2024)	Rs. 57 per Tonne
GST	18.00%	on Mining Charges, Royalty, DMF and NMET

Commission's View

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

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

However, it is clarified that the compliance of the statutory provisions remain the responsibility of the Petitioner and it is for CSPGCL to ensure that the Statutory Charges are paid in accordance with the prevailing rules. CSPGCL is expected to exercise due care against excess / short payment of Statutory Charges. In case of any changes in the relevant provisions or applicability of any other Statutory Charge, CSPGCL may pay the same and leave is granted for claim against such payment along with due justification at the time of true up.

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

Table 4-13: Approved Statutory Charges for GP-III mine for FY 2023-24 (Rs. Crore)

Particulars	Petition	Approved
Statutory Charges	59.69	59.69

4.4.11 MDO Charges

CSPGCL's submission

CSPGCL submitted that it has appointed GP III Collieries Ltd. as MDO through open transparent competitive bidding process. The same has been adopted by the Commission in the MYT Order. For deriving MDO Charges for FY 2022-23, the Commission considered escalation of 3.33% on the MDO charges of FY 2021-22. Further, any adjustment required in the MDO charges based on movement of above indices would be adjusted at the time of true-up. For True up for FY 2023-24, the actual charges as appearing in the accounts have been considered. The actual per tonne charges have been paid based on the actual movement of the indices.

Commission's View

As per Regulation 53.2 of the MYT Regulations, 2021, the Run of Mine (ROM) cost will include the Mining Charge, which is the charge per tonne of coal paid by the Generating Company to the MDO engaged by the Generating Company for mining, wherever applicable. Since CSPGCL has appointed MDO through the process of competitive bidding and MDO charges are discovered through bidding process escalated by appropriate indices as indicated under the CSMA, the Commission accepts the actual MDO charges for FY 2023-24 as per the Trial Balance provided by CSPGCL based on which Audited Accounts have been prepared, as submitted by CSPGCL for GP-III mines.

Table 4-14: Approved MDO Charges for GP-III mines for FY 2023-24

Particulars	Petition	Approved
MDO charges (Rs. Crore)	327.67	327.67
MDO charges (Rs./Tonne)	870.79	870.69

4.4.12 Fixed Reserve Price

CSPGCL's submission

CSPGCL submitted that at the time of issuance of MYT Order, the Fixed Reserve Price (FRP) rate of Rs. 100/ Tonne (excluding GST) was considered. However, Under Secretary to the Ministry of Coal, Govt. of India informed CSPGCL revision in the rate of FRP for GP III mine with retrospective effect, i.e., from FY 2019-20 with direction to pay the arrears too through its Letter on 13th September, 2023 read with corrigendum dated 27th September, 2023.

Accordingly, the office of Collector (Mining Division), Raigarh, vide its letter dated 6th April, 2024 directed to pay the arrear amount on account of the escalated FRP for FY 2019-20 to FY 2023-24 (as mentioned above). CSPGCL has paid the entire arrear amount for the said period.

Commission's View

The Commission has verified the Letter of the Ministry of Coal, GoI specifying the revised FRP of Rs. 133.14/MT (excluding taxes). The Commission allows the FRP of Rs. 157.11/MT for the calculation of Input Price of coal for FY 2023-24 in line with the Letter issued by the Ministry of Coal, GoI and considering the applicable GST.

The Commission has also verified the computation of arrear amount paid by CSPGCL. CSPGCL has considered FRP of Rs. 106.80/MT, Rs. 109.21/MT, Rs.

116.66/MT and Rs. 129.44/MT for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23, respectively, in line with the Letter issued by the Ministry of Coal, GoI for computation of arrears. CSPGCL has claimed the total arrears for these years while computing Cumulative Revenue Gap for CSPGCL. Such arrears works out to Rs. 32.09 Crore, as claimed by CSPGCL. The Commission thus, approves the same to be considered in Revenue Gap of CSPGCL for FY 2023-24, as the same is a pass through, being Change in Law.

4.4.13 Input Price of Coal

CSPGCL's submission

CSPGCL has computed the Input Price of coal from GP-III mines for FY 2023-24 as shown in the Table below:

Table 4-15: Input Price of Coal from GP-III mines for FY 2023-24 as submitted by CSPGCL

Particulars	Unit	FY 2023-24
Depreciation	Rs. Crore	43.16
Interest on loan	Rs. Crore	46.99
Return on Equity	Rs. Crore	35.27
Interest on Working Capital	Rs. Crore	1.69
O&M Charges	Rs. Crore	16.13
Statutory Charges	Rs. Crore	59.69
Annual Extraction Cost	**Rs. Crore**	**202.94**
Actual Quantity of Coal	MMT	3.76
Annual Extraction Cost	Rs./ MT	539.30
MDO Charges	Rs./ MT	870.79
Sub Total	**Rs./ MT**	**1410.09**
Less -NTI	Rs Crore	3.03
Less – NTI	Rs./ MT	8.06
Add- Fixed Reserve Price	Rs./ MT	157.11
Input Price	**Rs./ MT**	**1559.14**

Commission's View

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

Table 4-16: Approved Input Price of Coal from GP-III mines for FY 2023-24 (Rs. Crore)

Particulars	Unit	Petition	Approved
Depreciation	Rs. Crore	43.16	41.67
Interest on loan	Rs. Crore	46.99	47.06
Return on Equity	Rs. Crore	35.27	35.27
Interest on Working Capital	Rs. Crore	1.69	1.69
O&M Charges	Rs. Crore	16.13	16.13
Statutory Charges	Rs. Crore	59.69	59.69
Annual Extraction Cost	**Rs. Crore**	**202.94**	**201.51**

Particulars	Unit	Petition	Approved
Actual Quantity of Coal	MMT	3.76	3.76
Annual Extraction Cost	Rs./ MT	539.30	535.53
MDO Charges	Rs./ MT	870.79	870.79
Sub Total	**Rs./ MT**	**1410.09**	**1406.32**
Less -NTI	Rs Crore	3.03	3.03
Less - NTI	Rs./ MT	8.06	8.06
Add- Fixed Reserve Price	Rs./ MT	157.11	157.11
Input Price	**Rs./ MT**	**1559.14**	**1555.36**

Table 4-17: Breakup of Approved Input Price of Coal from GP-III mines for FY 2023-24

Particulars	Unit	FY 2023-24
Base Price of coal	Rs. /MT	1,239.64
Statutory Charges	Rs. /MT	158.62
Fixed Reserve Price including GST	Rs. /MT	157.11
Total Price/Tonne	**Rs. /MT**	**1,555.36**

5 TRUE-UP FOR FY 2023-24 FOR CSPGCL

5.1 Background

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

CSPGCL has diversified generation capacity comprising conventional and non-conventional power plants. The details of the conventional power plants, which were in service during FY 2023-24 are submitted in the table below:

Table 5-1: Generation Capacity (MW) of existing Generating Stations

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

5.2 Procedural History

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

5.3 True-up Petition

CSPGCL has filed the true up Petition for FY 2023-24 of all the conventional plants of CSPGCL.

For true up of FY 2023-24, the accounts audited by the statutory auditors and submitted to AG (Audit) have been relied upon.

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

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

(c) Other relevant details, if any."

In accordance with the above Regulation, the Commission, in the present Order, has undertaken true-up of ARR and Revenue for FY 2023-24 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 2023-24 and considered the final true-up of expenses and revenue in accordance with Regulation 10 of the MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between CSPGCL and its beneficiaries, in accordance with Regulation 13 of the MYT Regulations, 2021.

5.4 Plant Availability Factor (PAF)

CSPGCL's submission

The actual Plant Availability Factor (PAF) for CSPGCL's stations for FY 2023-24 is shown in the Table below:

Table 5-2: Actual PAF for FY 2023-24 as submitted by CSPGCL

Station	FY 2023-24
HTPS	78.91%
DSPM	94.49%
KWTPP	84.75%
ABVTPS	85.26%

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CSPGCL submitted that since coal from GP-III mine was also used, CSPGCL has considered the normative transit loss of 0.998% for coal supplied from the mine. CSPGCL submitted that the gains / loss from performance are proposed to be shared as per Regulation and in accordance to the intent and content of the well-established methodology relied by the Commission in all previous orders.

Commission's View

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

The Commission has examined the actual PAF of the generating stations for FY 2023-24 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 2023-24 for determining sharing of gains and losses.

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

The station-wise NAPAF and actual PAF approved by the Commission in the true-up of FY 2023-24 is shown in the Table below:

Table 5-3: Approved Plant Availability Factor for FY 2023-24

Station	NAPAF	Actual PAF
HTPS	78%	78.91%
DSPM	85%	94.49%
KWTPP	85%	84.75%
ABVTPS	82%	85.26%

5.5 Auxiliary Energy Consumption

CSPGCL's Submission

CSPGCL has submitted the actual Auxiliary Energy Consumption (AEC) for its stations for FY 2023-24, as shown in the Table below:

Table 5-4: Auxiliary Energy Consumption for FY 2023-24 as submitted by CSPGCL

Station	Tariff Order	CSPGCL's Submission
HTPS	9.70%	9.85%
DSPM	9.00%	7.97%
KWTPP	5.25%	4.86%
ABVTPS	5.25%	5.01%
HBPS	1.20%	0.32%

CSPGCL submitted that during FY 2023-24, all generating stations except HTPS 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 2023-24 has been considered. Further, the normative AEC for FY 2023-24, as shown in the Table below, has been considered for computation of normative net generation as approved in the MYT Order dated 13 April, 2022:

Table 5-5: Approved and Actual Auxiliary Energy Consumption for FY 2023-24

Station	Normative	Actual
HTPS	9.70%	9.85%
DSPM	9.00%	7.97%
KWTPP	5.25%	4.86%
ABVTPS	5.25%	5.01%
HBPS	1.20%	0.32%

5.6 Gross Generation and Net Generation

CSPGCL's Submission

CSPGCL submitted that the actual gross generation and net generation for FY 2023-24 for its generating stations, as shown in the Table below:

Table 5-6: Actual Gross Generation and Net Generation for FY 2023-24 as submitted by CSPGCL (MU)

Station	Gross Generation	Net Generation
HTPS	5864.47	5287.03
DSPM	4072.78	3748.31
KWTPP	3742.61	3560.74
ABVTPS	7388.54	7018.12
HBPS	321.76	320.73

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

Commission's View

The billing mechanism has been changed from October 2014, wherein three-part ABT billing is done based on declared capacity and corresponding scheduled energy, and the deviations from the schedule are governed through Deviation Settlement Mechanism (DSM). The above figures submitted by CSPGCL are the actual generation and not the scheduled generation. For the purpose of sharing of efficiency gains and losses, the Commission has duly verified the monthly statements submitted by CSPGCL. The 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 5-7: Approved Gross Generation and Net Generation for FY 2023-24 (MU)

Station	Normative		Actual	
	Gross Generation	Net Generation	Gross Generation	Net Generation
HTPS	5755.28	5197.01	5864.47	5287.03
DSPM	3733.20	3397.21	4072.78	3748.31
KWTPP	3733.20	3537.21	3742.61	3560.74
ABVTPS	7202.88	6824.73	7388.54	7018.12
HBPS	274.00	270.71	321.76	320.73

5.7 Gross Station Heat Rate

CSPGCL's Submission

CSPGCL submitted the actual Gross Station Heat Rate (GSHR) for FY 2023-24 for existing generating stations, as shown in the following Table:

Table 5-8: GSHR for FY 2023-24 (kcal/kWh)

Station	FY 2023-24
HTPS	2905.28
DSPM	2564.15
KWTPP	2638.92

Station	FY 2023-24
ABVTPS	2541.94

Commission's View

After due verification, the actual GSHR as submitted by CSPGCL for FY 2023-24 has been considered for the computation of actual Fuel Cost and the normative GSHR as approved in Tariff Order dated April 13, 2022 has been considered for computation of normative Fuel Cost. GSHR for thermal power stations as approved by the Commission for FY 2023-24 are shown in the Table below:

Table 5-9: Approved GSHR for FY 2023-24 (kcal/kWh)

Station	Normative	Actual
HTPS	2650.00	2905.28
DSPM	2430.00	2564.15
KWTPP	2390.00	2638.92
ABVTPS	2390.00	2541.94

5.8 Secondary Fuel Oil Consumption

CSPGCL's Submission

CSPGCL has submitted the actual Secondary Fuel Oil Consumption (SFOC) for FY 2023-24 as shown in the Table below:

Table 5-10: SFOC submitted by CSPGCL for FY 2023-24 (ml/kWh)

Station	Tariff Order	Actual
HTPS	0.80	0.51
DSPM	0.50	0.19
KWTPP	0.50	0.31
ABVTPS	0.50	0.16

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 5-11: Approved SFOC for FY 2023-24 (ml/kWh)

Station	Normative	Actual
HTPS	0.80	0.51
DSPM	0.50	0.19
KWTPP	0.50	0.31
ABVTPS	0.50	0.16

5.9 Transit Loss

CSPGCL's Submission

CSPGCL has submitted the actual transit loss as shown in the following Table:

Table 5-12: Transit loss as submitted by CSPGCL for FY 2023-24

Station	FY 2023-24
HTPS	0.19%
DSPM	0.22%
KWTPP	0.19%
ABVTPS	0.90%

CSPGCL submitted that the issue of applicable normative transit loss was dealt in detail by the Commission during the previous true up. The principles and procedure approved by the Commission for determination of normative Transit and Handling loss have been adopted in the Petition.

Like previous year, this year too, coal from GP-III mine was continued to be supplied through the two Railway sidings at Gharghoda and Robertson via dual transport in RCR (Rail Cum Road) mode. With no change in the status, as settled by the Commission in the previous Order, normative transit loss for GP-III coal has been considered as 0.9984% for FY 2023-24.

Further, during the year, some coal was also received through SECL coal mines. As approved in the previous Order, the normative transit and handling loss for such coal is taken as 0.80%. Accordingly, taking into account the actual share of SECL coal and GP-III coal, the weighted average normative transit and handling loss for ABVTPS has been computed.

Commission's View

The actual transit loss for FY 2023-24 has been considered as submitted by CSPGCL for the purpose of sharing of efficiency gains and losses, while the normative transit loss for FY 2023-24 has been considered as approved in the Tariff Order, for computation of normative fuel cost.

The Commission at previous Years' True up has considered Normative Transit Loss for GP III coal transported through dual transport mode in RCR (Rail cum Road) mode as 0.998%. The same is considered as Normative Transit Loss for FY 2023-24 also for plants who are opting for such coal. As DSPM and ABVTPS have used coal from both SECL and GP-III mine, the normative Transit and handling loss for ABVTPS as approved in Tariff Order of FY 2023-24 is 0.80% for SECL coal and 0.998% for GP-III coal (due to R&R mode), with weighted average normative transit loss working out to 0.924% for ABVTPS. For DSPM, as approved in Tariff Order of FY 2023-24, transit loss is 0.20% for SECL coal and 0.998% for GP-III coal (due to R&R mode) with weighted average normative transit loss working out to 0.259%.

Table 5-13: Approved Transit loss for FY 2023-24

Station	Normative	Actual
HTPS	0.20%	0.193%
DSPM	0.259%	0.221%
KWTPP	0.20%	0.193%
ABVTPS	0.924%	0.896%

5.10 Calorific Value and Price of Fuel

CSPGCL's Submission

CSPGCL submitted that Regulation 45.5 of the MYT Regulations, 2021 specifies that the energy charge shall cover the fuel cost (primary fuel as well as secondary fuel). Fuel cost has been considered as per settled methodology adopted in all previous Orders. CSPGCL has submitted the plant-wise landed rate of coal and oil for thermal power plants and the computation of coal cost, oil cost and energy charge rate.

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.

CSPGCL submitted the actual Calorific Value (CV) and price of fuels for FY 2023-24, as shown in the following Table:

Table 5-14: Actual Calorific Value and Price of fuels for FY 2023-24

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	3,834.41	2014.47	10,000.00	71,013.53
DSPM	3,504.55	2230.00	10,000.00	73,012.57
KWTPP	3,834.41	2014.47	10,000.00	77,774.66
ABVTPS	3,503.57	2653.21	10,000.00	74,870.41

Commission's View

Common facility is used for transportation of coal for HTPS and KWTPP. CSPGCL has submitted that coal is supplied by SECL to HTPS and KWTPP from the same source and hence, the landed price of coal has been considered on integrated basis and the same rate has been used for computation of fuel cost for both the plants. As per the settled practice, the Commission in True-up of FY 2023-24 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 2023-24.

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 2023-24. The calorific value of fuel and price of fuel considered by the Commission for computation of actual and normative fuel cost for FY 2023-24 are shown in the Table below:

Table 5-15: Approved Calorific Value and Price of fuels for FY 2023-24

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	3,834.41	2014.62	2,014.47	10,000.00	71013.53
DSPM	3,504.55	2219.03	2,229.72	10,000.00	73012.57
KWTPP	3,834.41	2014.62	2,014.47	10,000.00	77774.66
ABVTPS	3,503.57	2651.57	2,650.83	10,000.00	74870.41

5.11 Fuel Cost

CSPGCL's Submission

The Table below shows the fuel cost claimed by CSPGCL in the True-up of FY 2023-24:

Table 5-16: Actual Fuel Cost for FY 2023-24 (Rs. Crore)

Station	Normative	Actual
HTPS	798.90	893.55
DSPM	573.30	664.01
KWTPP	467.80	518.27
ABVTPS	1,301.30	1421.40

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 2023-24 as shown in the Table below:

Table 5-17: Approved Fuel Cost for FY 2023-24 (Rs. Crore)

Station	Normative	Actual
HTPS	798.90	893.55
DSPM	573.22	663.93
KWTPP	467.80	518.27
ABVTPS	1,300.13	1420.13

5.12 Annual Fixed Charges for CSPGCL

Regulation 36 of the MYT Regulations, 2021 specifies the components of tariff as Capacity Charge (for recovery of Annual Fixed Cost) and Energy Charge (for recovery of fuel cost).

Further, Regulation 37 of the MYT Regulations, 2021 specifies the components of Annual Fixed Charges (AFC) for CSPGCL as under:

(a) Return on Equity;

(b) Interest and Finance Charges;

(c) Depreciation;

(d) Interest on Working Capital;

(e) O&M Expenses;

a. HR Expenses;

1. Employee expenses;
2. Impact of Pay revision;
3. Manpower deployed on outsourcing basis;

b. M&G Expenses;

(f) Pension and Gratuity Fund Contribution;

Less:

(g) Non-Tariff Income

(h) Income from Other Business, to the extent specified in Regulation 42 of this Regulation.

5.13 Capital Cost and Additional Capitalisation

CSPGCL's Submission

CSPGCL submitted that the capital structure has been considered in line with the provisions of Regulation 17 and 18 of the MYT Regulations, 2021 and the settled methodology in the previous Orders. The opening GFA and capital structure (Debt / Equity) for FY 2023-24 have been taken equal to the closing values approved by the Commission in the True-up of FY 2022-23. Additions have been considered as per accounts / Fixed Asset Register (FAR) after mapping with approved Capital Investment Plans (CIPs).

CSPGCL submitted the following explanation for the negative capitalisation in FY 2023-24:

a) For the 4x210 MW HTPS, the Commission had approved the scheme towards Augmentation of ESP and the work for all four Units has been completed in all respects including Performance Guarantee (PG) test. Since, the scheme pertains to upgradation in nature, the asset was not fully replaced with the new one and part of the old asset continues to be in service. The concept of decapitalization is applicable in most of the capital works related to renovation / life extension / performance improvement of the plant and machinery because in general in such cases a new equipment altogether replaces the old one. However, in the instant case, the old ESP has not been uprooted, rather it has been upgraded in-situ by increase in height / additional of a new pass.

b) However, in the Accounts, inadvertently, the decapitalization has been carried out at the original cost of the ESP, which is not appropriate due to the reasons mentioned as above. Therefore, to make a fair assessment, an inter-office expert group has been constituted to look in to the issue and recommend the part/share of decapitalization.
c) For the purpose of true up, CSPGCL has provisionally considered half of value of decapitalization considered in the Accounts and leave is craved for further submission based on finding of the expert group.

Further, as the Regulatory principles and practices slightly differ from financial accounting principles and practices, in general deviations from accounts have been adopted in accordance to the well settled regulatory practice adopted in the previous orders.

Commission's View

The station-wise additional capitalisation submitted by CSPGCL and additional capitalisation incurred have been duly scrutinised. After due prudence check, the Commission has considered the additional capitalisation for HTPS, DSPM, Hasdeo Bango, KWTPP and ABVTPP.

As regards HTPS, the Commission notes that CSPGCL has considered the Capital Cost of Distributed Control System of Rs. 45.25 Crore, Augmentation of ESP of Rs. 1.79 Crore, New GT Unit for Unit No. 1 of Rs. 1.96 Crore, and 1st Raising of lagoon-II from 308 to 313 m Jhabu ash-dyke of Rs. 0.92 Crore. For all these works, prior approval has been taken by CSPGCL in the CIP Order dated April 27, 2022 on Petition No. 73/2021 and Order dated July 31, 2021 on Petition No. 10 of 2021. The Commission has verified the same and has found cost overrun in the Capitalisation of New GT Unit. The Commission notes that the estimated cost in the CIP Order dated May 02, 2020 was Rs. 11 Crore. However, in the CIP Order dated April 27, 2022 this cost was revised to Rs. 8 Crore based on actual discovered price. The Commission finds that CSPGCL has expended Rs. 7.89 Crore in FY 2022-23 against this Scheme and in the True up of FY 2023-24, CSPGCL has again claimed Rs. 1.96 Crore. In response to the Commission's query in this regard, CSPGCL submitted that the expense has been incurred due to price variation which is allowed as per tender condition. The Commission notes that actual cost of the Scheme of Rs. 8.81 Crore is well below the original cost approved for the Scheme by the Commission and the expense claimed by CSPGCL is actually paid to the developer/vendor according to the Terms and Conditions of the Agreement. Hence, the Commission allows the cost overrun.

Regarding the issue of decapitalisation old ESP unit, CSPGCL has stated that an inter-office expert group has been formed to look in to the issue and recommend the part/share of decapitalization. Regarding the provisional claim of CSPGCL by considering half the value of old ESP unit for True up, the Commission is of the opinion that the decapitalisation should be considered as per the Accounts. Allowing partial decapitalisation for regulatory purposes when the Accounts have fully decapitalised the asset would not be a prudent action. At the same time revisiting the de-capitalisation / capitalisation after rectification in accounts will also lead to iteration. Such provisional treatment in GFA may add regulatory complexity. As Capitalisation/ Decapitalisation at HTPS is under review at the Utility end, the Commission for the time being is not considering any Capitalisation/ Decapitalisation for FY 2023-24. Leave is granted for filing true value of Capitalisation/

Decapitalisation at the time of next true up after necessary rectifications take place with corresponding impact on equity and debt.

Accordingly, the Commission has considered Nil Capitalisation for FY 2023-24 against CSPGCL's claim of Rs. 7.88 Crore for HTPS

As regards DSPM TPS, the Commission notes that CSPGCL has not considered any Capitalisation in FY 2023-24. Accordingly, the Commission considers Nil Capitalisation for FY 2023-24 in DSPM TPS.

As regards KWTPP, the Commission notes that CSPGCL has considered additional Capital Cost of Rs. 35.58 Crore against its approved project cost. As the Commission has approved the cut-off date of KWTPP to be extended up to 31st March, 2024, this capitalisation is valid for consideration against tariff under the MYT Regulations, 2021. The Commission has verified the same and had not found any cost overrun. Hence, the Commission considers Capitalisation of Rs. 35.58 Crore for FY 2023-24.

CSPGCL has also prayed for approval of Capitalisation of Rs. 0.35 Crore for 2nd stage height raising of pond 1-B from RL 313 M to 316 M of ash dyke at Dindolbhata, Capitalisation of Rs. 3.98 Crore for 2nd stage height Rraising of pond 1 A from RL313 M to 316M of ash dyke of 1x500 MW KWTPP, and Capitalisation of Rs. 2.03 Crore for 2nd stage height raising of Pond No-2 from RL 313 M to 316 M of ash dyke of 1x500 MW KWTPP. In total, CSPGCL has incurred Capitalisation of Rs. 6.36 Crore. For all these works, prior approval has been taken by CSPGCL in the CIP Order dated April 27, 2022 on Petition No. 73/2021. The Commission has verified the same and has found no cost overrun in the Capitalisation of these Works. CSPGCL has also reported liability of Rs. 0.37 Crore in the Work of 2nd stage height raising of pond 1 A from RL313 M to 316M of ash dyke of 1x500 MW KWTPP and Rs. 0.32 Crore in the Work of 2nd stage height raising of pond 2 from RL313 M to 316M of ash dyke of 1x500 MW KWTPP. Hence, CSPGCL has claimed total capitalisation of Rs. 5.67 Crore (Rs. 6.36 Crore – Rs. 0.37 Crore – Rs. 0.32 Crore) in KWTPP for FY 2023-24. Hence, the Commission approves additional Capitalisation of (Rs. 35.58 Crore + Rs. 5.67 Crore) = Rs. 41.26 Crore in FY 2023-24 for KWTPP.

As regards ABVTPS, the Commission notes that CSPGCL has considered Capitalisation of Rs. 10.05 Crore against its approved project cost. As the Commission has approved the cut-off date of ABVTPS to be extended up to 31st March, 2025, this capitalisation is valid for consideration against tariff under the MYT Regulations, 2021. The Commission has verified the same and had not found any cost overrun. Hence, the Commission considers Capitalisation of Rs. 10.05 Crore for FY 2023-24.

The Commission also notes that CSPGCL has considered the Capital Cost of Rs. 3.37 Crore for Construction of RCC drain in cutting portion of Railway line between chainage 10/800 and 13/070. For this work, prior approval has been taken by CSPGCL in the CIP Order dated April 27, 2022 on Petition No. 73/2021. The Commission has verified the same and has found no cost overrun in the Capitalisation. Hence, the Commission approves additional Capitalisation of (Rs. 10.05 Crore + Rs. 3.37 Crore) = Rs. 13.42 Crore in FY 2023-24 for ABVTPS.

As regards HBPS, the Commission notes that CSPGCL has considered the Capital Cost of of Rs. 3.54 Crore for DEHG system, Rs. 1.91 Crore for New Digital Excitation system in Unit 1 and 2, and Rs. 5.49 Crore for Generator Transformer for Unit 3 . In-principle approval for these works has been taken by CSPGCL in the CIP

Order dated April 27, 2022 on Petition No. 73/2021. The Commission has verified the same and had found cost overrun in the Work for DEHG System at HBPS. In response to the Commission's query in this regard, CSPGCL has clarified that the original estimated cost was based on the budgetary offer of the Work, which is Rs. 3.06 Crore. This cost does not include the Service charge and other charges. With all these charges the actual cost of the Work comes to Rs. 3.54 Crore. The Commission after due deliberation has decided to allow the cost overrun as the same is unavoidable and was not considered in the CIP Order. Accordingly, the Commission considers Capitalisation of Rs. 3.54 Crore for FY 2023-24.

The Commission accordingly approves the additional capitalisation claimed in True-up of FY 2023-24 for all the power stations as shown in the Table below:

Table 5-18: Approved Additional Capitalisation in true up for FY 2023-24
(Rs. Crore)

Station	Tariff Order	Petition	Approved
HTPS	9.96	7.88	-
DSPM	22.71	0.00	0.00
KWTPP	8.55	41.26	41.26
ABVTPS	0.00	13.25	13.25
HBPS	8.56	10.95	10.95
Total	**49.78**	**73.34**	**65.46**

5.14 Means of Finance for Additional Capitalisation

CSPGCL's submission

Capital structure has been considered in accordance with the well settled methodology in the previous Orders. In cases of higher than normative equity, the normative debt equity (D:E) ratio has been considered. Further, in accordance with the methodology adopted by the Commission in previous Orders and in compliance of Regulation 17.2 of the CSERC MYT Regulation 2021, for additional capitalisation of the project costs at KWTPP and ABVTPS, the opening D:E ratio has been considered. For new schemes, normative capital structure has been considered.

Commission's View

The Commission has considered the normative debt equity ratio of 70:30 in accordance with the provisions of the MYT Regulations, 2021 for all generating stations except for ABVTPS 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 ABVTPS, since the additional capitalisation is within the approved project cost, the equity in additional capitalisation of the Project Cost is considered in the same ratio of 87.56:12.44 as approved in the Order dated July 07, 2018. The approved means of finance for additional capitalisation for FY 2023-24 is shown in the Table below:

Table 5-19: Approved Means of Finance for existing stations for FY 2023-24 (Rs. Crore)

Station	CSPGCL Petition			Approved		
	Equity	Debt	Total	Equity	Debt	Total
HTPS	2.36	5.52	7.88	0.00	0.00	0.00
DSPM	0.00	0.00	0.00	0.00	0.00	0.00
KWTPP	7.80	33.46	41.26	7.80	33.46	41.26
ABVTPS	2.21	11.04	13.25	2.21	11.04	13.25
HBPS	3.28	7.66	10.95	3.28	7.66	10.95
Total	**15.66**	**57.68**	**73.34**	**13.30**	**52.16**	**65.46**

5.15 Return on Equity

CSPGCL's submission

CSPGCL has computed RoE as per Regulation 23 of the MYT Regulations, 2021 for FY 2023-24.

Regarding rate of return on equity, the Tariff Regulations, 2021 specifies the rate of 14% for Generation business. CSPGCL is of the firm view that in accordance to the Electricity rules, RoE of 15.5% ought to be allowed, however, as the matter was decided by the Commission in negative in previous true up with grant of leave to claim higher RoE in future tariff determination, hence, respecting the Order, in the instant petition for true up, for the purpose of computation, CSPGCL has adopted 14% however, if the Commission decides to revisit the RoE then the same may please not be construed as waiver.

CSPGCL submitted the station-wise RoE for FY 2023-24 as shown in the Table below:

Table 5-20: Return on Equity for FY 2023-24 as submitted by CSPGCL (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Permissible Equity in Opening GFA	474.44	715.12	622.09	1,101.08	38.51
Equity addition during the year	2.36	-	7.80	2.21	3.28
Permissible Equity in Closing GFA	476.80	715.12	629.89	1103.29	41.79
Rate of return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Equity	**66.59**	**100.12**	**87.64**	**154.31**	**5.62**

Commission's View

Regulation 23 of the MYT Regulations, 2021, specifies as under:

*"**23. RETURN ON EQUITY***

22.1Base rate for Return on Equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 14.0% for Generation and Transmission and

SLDC.

...

23.3. The ROE shall be grossed up at the time of tariff by MAT rate for the year in which tariff is being determined, subject to the condition that MAT / Corporate tax has been paid for last three consecutive years for regulated business filed petition under these Regulations. In such case, pre-tax Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-MAT Rate)

At the time of True up, the income tax shall be pass through on actual basis, subject to

ceiling as following:

= Average Permissible Equity X Base Rate of Return X ((t/ (1-t))

Where "t" is the actual tax rate for the year. The tax rate shall be calculated without considering the delay payment surcharge received or receivable during the said financial year by generating company or licensee as the case may be.

For existing stations, the closing equity approved in true-up for FY 2022-23 has been considered as the opening equity for FY 2023-24. The addition of equity has been considered equivalent to equity amount approved towards additional capitalisation.

In line with the approach adopted in previous Tariff Orders, the grossing up of base rate of RoE with the applicable tax rate has not been considered, and Income Tax has been allowed separately at actuals. The RoE approved for FY 2023-24 is shown in the Table below:

Table 5-21: Approved Return on Equity for FY 2023-24 (Rs. Crore)

Particulars	**HTPS**	**DSPM**	**KWTPP**	**ABVTPS**	**Hasdeo Bango**
Opening Equity	474.44	715.12	622.09	1,101.08	38.51
Equity addition during the year		-	7.80	2.21	3.28
Closing Equity	474.44	715.12	629.89	1103.29	41.79
Rate of return on Equity	14%	14%	14%	14%	14%
Return on Equity	**66.42**	**100.12**	**87.64**	**154.31**	**5.62**

Further, CSPGCL has claimed Income Tax of Rs. 111.21 Crore for FY 2023-24. Since, the Commission has not considered pre-tax RoE rate for computation of RoE for FY 2023-24, the Commission has allowed the actual Income Tax paid during FY 2023-24, in line with the approach adopted in previous Orders. The Commission accordingly approves the Income Tax of Rs. 111.21 Crore for FY 2023-24 for CSPGCL.

5.16 Depreciation

CSPGCL's submission

CSPGCL submitted that Depreciation for all the plants has been computed in the same manner as adopted by the Commission in the MYT Order for the current Control Period.

For HTPS, in the Tariff Order for FY 2024-25, while carrying out the truing up for FY 2022-23, the Commission had considered balance useful life up to 2030 and accordingly the balance depreciable value was spread over 8 years period. Further, liberty was granted to CSPGCL for submission of update on the matter in the subsequent filings, if required. Accordingly, CSPGCL has followed the same principles for computing depreciation for FY 2023-24.

For KWTPP and ABVTPS, in the MYT Order, the depreciation rate for FY 2023-24 was determined in accordance with the second proviso of Regulation 25.6. However, as the actual principal repayment obligation during the year came out to be lower than that anticipated, though the Regulation is silent about revisiting the approved rate at the time of true up, CSPGCL has claimed depreciation rate lower than that approved in the MYT Order for FY 2022-23 to FY 2024-25.

The summary of the depreciation claimed by CSPGCL for FY 2023-24 is shown in the Table below:

Table 5-22: Depreciation for FY 2023-24 as submitted by CSPGCL (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Opening GFA	727.17	2,401.14	3,624.18	8,842.07	112.55
Additional Capitalization	7.88	-	41.26	13.25	10.95
Closing GFA	735.05	2,401.14	3,665.44	8,855.32	123.50
Average GFA	731.11	2401.14	3644.81	8848.70	118.02
Average Rate of Depreciation		5.46%	6.11%	5.90%	
Balance Depreciation to be recovered	375.52				23.38
Balance Useful Life	7.00				13.00
Depreciation	**53.65**	**131.22**	**222.84**	**522.34**	**2.62**
Accumulated Depreciation till 31.03.2024	**339.67**	**1,921.47**	**2,030.81**	**3,741.47**	**82.34**

Commission's View

For HTPS, in the True up FY 2022-23, the Commission has considered balance useful life up to 2030 and accordingly the balance depreciable value has been spread over 8 years period. Accordingly, for true up of FY 2023-24, CSPGCL has divided the remaining amount over balance useful life of HTPS and accordingly computed Depreciation for FY 2023-24. However, the Commission notes that GFA addition in HTPS during the year is considered as Rs. (8.39) Crore as discussed previously against CSPGCL's claim of Rs. 7.88 Crore. Hence, the Commission approves Depreciation of Rs. 52.09 Crore against CSPGCL's claim of Rs. 53.65 Crore.

For DSPM, the Commission has computed depreciation based on scheduled rates specified in the MYT Regulations, 2021. Depreciation has been computed by applying the weighted average depreciation rate of 5.46% on average GFA.

As regards KWTPP and ABVTPS, the Commission notes that accelerated depreciation rates were approved by the Commission in the MYT Order for KWTPP and ABVTPS in accordance with the second proviso to Regulation 25.6 of the MYT Regulations, 2021, which specifies as under:

> *"Provided that in those cases where the capital investment plan has been approved by the Commission and the depreciation rates as provided in this Regulation are insufficient for the repayment of loan, the rate of depreciation shall be decided by the Commission at the time of issuance of tariff order, subject to prudence check."*

In the true-up for FY 2023-24, CSPGCL has claimed lower depreciation rates as compared to the depreciation rates approved for KWTPP and ABVTPS in the Tariff Order for FY 2023-24, to match with the actual repayment of CSPGCL for these Stations for FY 2023-24.

The Commission observes that the stand-alone Depreciation allowable to KWTPP and ABVTPS based on the scheduled rates of depreciation is not sufficient to meet the actual repayment obligation for KWTPP and ABVTPS in FY 2023-24.

Hence, the Commission has computed depreciation for KWTPP and ABVTPS, at the claimed rates by CSPGCL to meet the actual repayment of the CSPGCL.

The Commission notes that similar approach had been adopted in True up of FY 2022-23 also. Hence, the Commission finds it appropriate to adopt the same approach in the true-up for FY 2023-24 also and approve the Depreciation rate for KWTPP and ABVTPS as claimed by CSPGCL.

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 2023-24 after final true-up, as shown in the Table below:

Table 5-23: Depreciation approved for CSPGCL for FY 2023-24 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Opening GFA	727.17	2,401.14	3,624.18	8,842.07	112.55
Additional Capitalization		-	41.26	13.25	10.95
Closing GFA	727.17	2,401.14	3,665.44	8,855.32	123.50
Average GFA	727.17	2401.14	3644.81	8848.70	118.02
Average Rate of Depreciation		5.46%	6.11%	5.90%	
Balance Depreciation to be recovered	368.43				23.38
Balance Useful Life	7.00				13.00
Depreciation	**52.63**	**131.22**	**222.84**	**522.34**	**2.62**
Accumulated Depreciation till 31.03.2024	**338.66**	**1,921.47**	**2,030.81**	**3,741.47**	**82.34**

5.17 Interest and Finance Charges

CSPGCL's submission

CSPGCL submitted that Interest and Finance charges on Loan Capital have been computed for FY 2023-24 as per Regulation 24 of the MYT Regulations, 2021. There is no change in the principle or methodology from previous Orders. As per the procedure adopted by the Commission in the previous Orders, the repayment of regulatory loan during the year is deemed to be equal to the depreciation allowed for the year.

The interest rate prevailing on 1st April of the year has been taken from quarterly statements issued by PFC. 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 2023-24 is shown in the Table below:

Table 5-24: Interest & Finance Charges as submitted by CGPGCL for FY 2023-24 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS	HBPS
Opening Normative loan	158.84	-	1,194.13	4,521.89	-
Debt Addition during the year	5.52	-	33.46	11.04	7.66
Repayment during the period	53.65	131.22	222.84	522.34	2.62
Closing Net Normative Loan	110.71	-	1,004.74	4,010.59	5.04
Average Net Normative Loan	134.77	-	1,099.44	4,266.24	2.52
Weighted Average Interest Rate (%)	10.50%	10.25%	9.26%	9.26%	9.26%
Interest Expense for the Period	**14.15**	**0.00**	**101.81**	**395.05**	**0.23**
Sharing of net savings for re-financing	0.00	0.00	5.09	19.77	
Financing and Other Charges	0.24	0.20	0.14	0.45	
Total Interest Expenses	**14.39**	**0.20**	**107.04**	**415.27**	**0.23**

Commission's View

The Commission has computed Interest and Finance charges for FY 2023-24 as per Regulation 24 of the MYT Regulations, 2021.

For existing stations, the closing net normative loan balance approved after True-up for FY 2022-23 has been considered as opening net normative loan balance for FY 2023-24. The debt addition has been considered equal to debt amount approved in this Order towards additional capitalisation for FY 2023-24. The depreciation has been considered as normative repayment during the year.

The actual weighted average interest rate as on April 1, 2023 has been considered based on accounts and documentary evidences submitted by CSPGCL. Accordingly, the station-wise weighted average rate of interest has been considered for FY 2023-24. HBPS did not have any capital Loan in FY 2023-24 or in recent years. According to Regulation 24.5 of the MYT Regulations, 2021, weighted average rate approved CSPGCL as a whole has been considered for computing Normative Interest and Finance charges.

As per Regulation 24.8 of the MYT Regulations, 2021, the savings in re-financing shall be shared between the beneficiaries, i.e., CSPDCL, and CSPGCL, in the ratio of 2:1. The Commission, while undertaking true-up for FY 2020-21, has adopted a methodology for sharing the savings of re-financing. The same methodology has been continued in the present Order. Accordingly, net savings have been computed separately and allowed in addition to Interest and finance charges. Further, the Commission notes that CSPGCL has not claimed any additional cost for re-financing of loan, hence, the same has not been considered.

In view of the above, the Interest and Finance charges approved by the Commission for FY 2023-24 are shown in the Tables below:

Table 5-25: Interest & Finance Charges approved for FY 2023-24 (Rs. Crore)

Particulars	**HTPS**	**DSPM**	**KWTPP**	**ABVTPS**	**HBPS**
Opening Normative loan	158.84	-	1,194.13	4,521.89	-
Debt Addition during the year	-	-	33.46	11.04	7.66
Repayment during the period	52.63	131.22	222.84	522.34	2.62
Closing Net Normative Loan	106.21	-	1,004.74	4,010.59	5.04
Average Net Normative Loan	132.52	-	1,099.44	4,266.24	2.52
Weighted Average Interest Rate (%)	10.50%	10.25%	9.26%	9.26%	9.26%
Interest Expense for the Period	**13.92**	**0.00**	**101.81**	**395.05**	**0.23**
Sharing of net savings for re-financing	-	-	5.09	19.77	-
Financing and Other Charges	0.24	0.20	0.14	0.45	-
Total Interest Expenses	**14.15**	**0.20**	**107.04**	**415.27**	**0.23**

5.18 Operation and Maintenance (O&M) expenses

CSPGCL's Submission

CSPGCL submitted the O&M Expenses (excluding water charges and SLDC charges) for existing thermal and hydel power plants in accordance with Regulation 40.5 of the MYT Regulations, 2021.

CSPGCL further submitted that as per the methodology adopted in earlier Orders, O&M Expenses in the support functions such as Head Office, CAU, etc., are allocated among the thermal power plants and Hasdeo Bango HEP, based on their installed/effective capacities.

Regulation 40.5 of the MYT Regulations, 2021 specifies the methodology for allowance of normative O&M expenses for generating companies. Based on the same, the Commission approved the following normative O&M expenses in the MYT Order dated 13.04.2022 in Petition No. 1 of 2022 for FY 2023-24:

Table 5-26: Approved Normative O&M expenses for FY 2023-24 in MYT Order (Rs. Crore)

Particulars	**HTPS**	**DSPM**	**KWTPP**	**ABVTPS**	**HBPS**
Employee Expenses	229.93	92.53	45.98	113.26	7.70
M&G Expenses	162.12	96.50	65.90	131.80	7.99
Total O&M Expenses	**392.05**	**189.02**	**111.88**	**245.06**	**15.69**

The M&G expenses for thermal power stations of CSPGCL were approved by the Commission for FY 2023-24 in the MYT Order dated April 13, 2022, using the norms specified in Regulation 40.5.2.1 of the MYT Regulations, 2021. The first proviso to Regulation 40.5.2.1 states that at the time of truing up, the A&G expenses and R&M expenses shall be considered after taking into account the actual inflation on the basis of 40% weightage of WPI and 60% weightage of CPI on year-to-year basis. Considering 40% weightage of WPI and 60% weightage of CPI, the weighted average inflation in FY 2023-24 over FY 2022-23 works out to 2.82%, as shown in the table below:

Table 5-27: Weightage Average Inflation Rate in FY 2023-24 over FY 2022-23 (%)

Particulars	CPI Inflation in FY 2023-24	WPI Inflation in FY 2023-24
Inflation	5.19%	-0.73%
Weightage	60%	40%
Weightage average Inflation rate	2.82%	

Hence, CSPGCL has worked out the revised normative M&G expense for FY 2023-24 using the above escalation factor.

The A&G expense for FY 2023-24 for the hydro power station of CSPGCL, i.e., HBPS was approved by the Commission in the MYT Order dated April 13, 2022. Regulation 40.5.2.2 of the MYT Regulations, 2021 specifies that at the time of truing up, the A&G expenses and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period. The actual WPI inflation in FY 2023-24 over FY 2022-23 works out to -0.73%. Hence, CSPGCL has worked out the revised A&G expenses for FY 2023-24 using the above WPI.

As regards the R&M expenses for HBPS, the same methodology as described in previous para has been adopted.

Accordingly, the revised normative O&M Expenses computed by CSPGCL for FY 2023-24 are as shown in the Table below:

Table 5-28: Revised Normative O&M Expenses for FY 2023-24 as claimed by CSPGCL (Rs. Crore)

Particulars	Normative HR Expenses	Normative M&G Expenses	Revised Normative O&M Expenses
HTPS	232.47	167.15	399.62
DSPM	93.54	99.49	193.03
KWTPP	46.49	67.91	114.41
ABVTPS	114.52	135.82	250.33
Hasdeo Bango	7.7845	8.00	15.78

The Commission in the MYT Order dated April 13, 2022 had also ruled that no gains shall be allowed to CSPGCL in case the actual R&M expenses for HBPS are lower than normative R&M expenses. Accordingly, CSPGCL has not considered the R&M

expense for HBPS in the efficiency gain or loss calculation, which is otherwise applicable for thermal power plants of CSPGCL.

In line with the methodology followed in the previous Tariff Orders, CSPGCL has not considered the productivity incentives, CSR expenses, etc., in the actual O&M expense for CSPGCL for FY 2023-24. Also, the head office expenses have been allocated among the thermal power stations in the ratio of their installed capacity, as per the practice followed in earlier Tariff Orders.

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, actual expenses/income shall be considered. Accordingly, actual leave encashment expense has been considered as part of employee cost within O&M Expenses.

As per Regulation 40.5.1 (e) of the MYT Regulations, 2021, at the time of true up, the Employee expenses shall be considered at actuals and shall not be subjected to gain/loss mechanism. Accordingly, CSPGCL has considered the M&G expenses (except for HBPS, where only A&G expense has been considered) for sharing of efficiency gains and losses in accordance with Regulation 13 of the MYT Regulations, 2021.

Further, as per the MYT Regulations, 2021, the MYT Order has considered the contribution to the Pension Trust as a separate line item and not part of O&M expenses. For the purpose of this Petition, CSPGCL has followed the same approach.

Further, as per the well settled methodology adopted in all earlier Orders, the cost incurred on coal transport (part of landed cost of coal), which as per accounting practice is booked in the plant O&M head, has been reduced from the O&M Expenses and added to the fuel cost. However, as the coal transport cost from GP-III mine has not been booked to plants and is maintained separately in the accounts, no such adjustment is applicable for GP-III coal.

The O&M Expenses submitted by CSPGCL for FY 2023-24 is shown in the Table below:

Table 5-29: Actual O&M Expenses for FY 2023-24 submitted by CSPGCL (Rs. Crore)

Station	HR Cost	M&G Cost	O&M Expense
HTPS	183.40	125.50	308.90
DSPM	141.58	133.83	275.41
KWTPP	112.87	90.21	203.08
ABVTPP	54.58	63.67	118.26
HBPS	5.11	2.54	7.65
Total	**497.55**	**415.75**	**913.30**

Commission's View

As regards O&M Expenses, Regulation 40.5 of the MYT Regulations, 2021 specifies as under:

"40.5 Operation and Maintenance (O&M) expenses

40.5.1. Human Resource (HR) Expenses

a) HR expenses for generating company shall include:

(i) employees costs;

(ii) impact of Pay revision:

(iii) manpower deployed on outsourcing basis;

….

e) At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism. Provided further that during the true-up, actual cash outflow on impact of pay revision (including arrears) and pension fund contribution shall be allowed as per accounts, subject to prudence check and any other factor considered appropriate by the Commission.

…

40.5.2. Maintenance & General (M&G) Expenses

40.5.2.1. Thermal Generating Station*:*

Maintenance and General (M&G) expenses for generating company shall include:

a) Administrative and General (A&G) expenses;

b) Repair and Maintenance (R&M) expenses;

At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis.

…

4.5.2.2. For Existing Hydro Generating Stations

a) Maintenance & General (M&G) expenses for generating Company shall include:

(i) Administrative and General (A&G) expenses;

(ii) Repair and Maintenance (R&M) expenses.

…

e) At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.
Provided that water charges shall be pass through in tariff on reimbursement basis.” (emphasis added)

The Commission had determined the revised normative O&M Expenses for FY 2023-24 in accordance with the above Regulation. The above Regulation specifies that at the time of truing up, the O&M Expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.

Accordingly, the Commission has computed the normative HR expenses and M&G expenses for FY 2023-24 by applying the actual inflation on base O&M expenses for FY 2022-23 by considering the actual CPI and WPI for FY 2023-24. For FY 2023-24, the Commission has considered escalation factor of 5.19% for HR expenses and 2.82% for M&G cost for all Thermal Power Plants of CSPGCL. For HBPS, the Commission has considered escalation factor as -0.73% for computation of R&M expenses and A&G expenses.

Accordingly, the revised normative O&M Expenses computed for FY 2023-24 are as shown in the Table below:

Table 5-30: Approved Normative O&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	MYT Order	Revised Normative Expenses
HTPS	392.05	399.62
DSPM	189.02	193.03
KWTPP	111.88	114.41
ABVTPS	245.06	250.33
Hasdeo Bango	15.69	15.78

As regards the actual O&M Expenses, the Commission sought reconciliation of actual O&M Expenses submitted in the Petition vis-à-vis O&M Expenses reported in audited accounts. The Commission has considered the actual O&M Expenses as submitted by CSPGCL after due prudence check.

As per Regulation 40.5.1 (e) of the MYT Regulations, 2021, at the time of true up, the HR expenses shall be considered at actuals and shall not be subjected to gain/loss mechanism. CSPGCL has also considered the M&G expenses (except for HBHPS, where only A&G expense has been considered) for sharing of efficiency gains and losses in accordance with Regulation 13 of the MYT Regulations, 2021.

CSPGCL also submitted that it has not considered the productivity incentive, donations and CSR expenses as part of employee expenses for regulatory purposes, as per the methodology settled in the previous Orders.

Accordingly, the Commission approves the actual HR Expenses as per audited Accounts for FY 2023-24, and HR cost is not considered for sharing of gains or losses. The sharing of gains and losses has been undertaken in subsequent section of this Chapter.

In this Order, the Commission approves the O&M expenses based on audited accounts for FY 2023-24. The normative and actual O&M Expenses approved by the Commission is shown in the following Table:

Table 5-31: Approved O&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Actual	Normative
HTPS	308.90	399.62
DSPM	275.41	193.03
KWTPP	203.08	114.41
ABVTPS	118.26	250.33
Hasdeo Bango	7.65	15.78

5.19 Pension and Gratuity Contribution

CSPGCL's Submission

CSPGCL submitted that the Commission in the Tariff Order approved Gratuity & Pension Fund Trust contribution by CSPGCL as Rs. 336.47 Crore for FY 2023-24. CSPGCL confirms that actual contribution to the Trust has been in conformity with the Order. Plant-wise allocation considered in the Order has also been maintained, as shown in the Table below:

Table 5-32: Pension and Gratuity Contribution for FY 2023-24 as submitted by CSPGCL (Rs. Crore)

Station	Tariff Order	CSPGCL Petition
HTPS	150.74	150.74
DSPM	55.93	55.93
KWTPP	33.48	33.48
ABVTPS	91.55	91.55
HBPS	4.77	4.77
Total	**336.47**	**336.47**

Commission's View

The P&G contribution of Rs. 336.47 Crore has been approved for CSPGCL for FY 2023-24 in the Tariff Order dated April 13, 2022. The Commission has considered the same in the Truing-up for FY 2023-24.

5.20 Interest on Working Capital

CSPGCL's Submission

CSPGCL submitted that it has calculated the normative Interest on Working Capital (IoWC) as per Regulation 26 of the MYT Regulations, 2021.

The interest rate for IoWC has been considered equal to the average actual sanctioned rate of interest during the year on the loans availed for working capital, as certified from the lending agencies.

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

Table 5-33: IoWC for FY 2023-24 as submitted by CSPGCL (Rs. Crore)

Particulars	MYT Order	CSPGCL Petition
HTPS	24.65	23.17
DSPM	17.41	16.90
KWTPP	14.39	13.44
ABVTPS	39.15	37.38
HBPS	0.42	0.67
Total	**94.87**	**91.56**

Commission's View

The Commission has computed the IoWC for FY 2023-24 as per Regulation 26 of the MYT Regulations, 2021. The rate of interest has been considered as 8.22% for FY

2023-24 as per the provisions of MYT Regulations, 2021. The revised normative O&M expenses have been considered for computation of Working Capital requirement. The actual revenue billed, excluding the Gap/Surplus of the previous year/s, has been considered as receivables for computation of working capital requirement. CSPGCL has considered Receivables of 1 month for computing Working Capital requirement of FY 2023-24. The Commission through its amendment dated May 29, 2023 has amended Regulation 26.2 of the MYT Regulations, 2021, as per which Receivables for 45 days of actual revenue billed is to be considered for Working capital computation.

The same is reproduced below:

> *"26.2 At the time of True up, the receivables for the computation of working capital requirement for the generating company, STU/transmission Licensee and SLDC will be determined* ***equivalent to 45 days of actual revenue billed*** *and the receivables for the computation of working capital requirement of the distribution Licensee will be determined equivalent to 15 days of actual revenue billed." …**(emphasis added)***

Accordingly, the IoWC approved by the Commission after truing up for FY 2023-24 is shown in the Table below:

Table 5-34: Approved IoWC for CSPGCL for FY 2023-24 (Rs. Crore)

Particulars	MYT Order	Approved
HTPS	24.65	28.72
DSPM	17.41	20.73
HB	14.39	17.07
KWTPP	39.15	46.66
ABVTPP	0.42	0.90
Total	**94.87**	**114.08**

5.21 Non-Tariff Income

CSPGCL's submission

CSPGCL submitted that it has considered the Non-Tariff Income (NTI) as per Regulation 41 of the MYT Regulations, 2021 for true up exercise of its existing thermal and hydel power plants.

CSPGCL submitted that plant specific income has been booked to respective plants and income appearing against HO & CAU has been allocated to thermal plants on installed/ effective capacity basis.

As far as FDR interest is concerned, except for the interest on FDR maintained for Coal Blocks, all other interest income appearing in the accounts has been considered. The interest attributable to FDRs relating to GP-III mine (Rs. 5.51 Crore balance during FY 2023-24) has been considered as NTI for GP-III mine.

For regulatory purposes, income from Delayed Payment Surcharge is not considered as NTI.

The NTI submitted by CSPGCL for FY 2023-24 is shown in the Table below:

Table 5-35: Non-Tariff Income for FY 2023-24 as submitted by CSPGCL (Rs. Crore)

Station	MYT Order	CSPGCL Petition
HTPS	8.18	19.59
DSPM	4.41	4.76
KWTPP	3.96	3.55
ABVTPS	8.20	9.22
HBPS	0.02	0.01
Total	**24.77**	**37.12**

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 2023-24, as shown in the Table below:

Table 5-36: Approved Non-Tariff Income in True-up for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Approved
HTPS	8.18	19.59
DSPM	4.41	4.76
KWTPP	3.96	3.55
ABVTPS	8.20	9.22
HBPS	0.02	0.01
Total	**24.77**	**37.12**

5.22 Ash Utilization Expenses

CSPGCL's Submission

CSPGCL submitted that Commission, vide its Order dated 13.04.2022 in Petition No. 01/2022 has taken cognizance of the notification dated 25th January 2016, wherein the Ministry of Environment and Forests (MoEF) amended the Environment (Protection) Act, 1986. In the previous true up, the Commission has allowed such expense as a separate line item. In the instant petition, the plant-wise ash utilization expenses as appearing in the Trial Balance have been considered.

Commission's View

The Commission, vide its Order dated August 2, 2021 in Petition No. 09/2021 had taken cognizance of the matter concerning the allowance of additional O&M expenses under "Change in Law" for utilization of fly ash. Further, vide Order dated April 13, 2022 in Petition No. 1/2022, the Commission allowed such expenses as pass through.

The Commission, in line with the previous Orders, has approved the Ash Utilization expenses under the separate head in ARR. The Ash Utilization Expense approved by the Commission are as shown below:

Table 5-37: Ash Utilization Expenses as approved for FY 2023-24 (Rs. Crore)

Particulars	HTPS	DSPM	KWTPP	ABVTPS
CSPGCL Petition	25.45	13.88	30.77	33.47
Approved	25.45	13.88	30.77	33.47

5.23 Statutory Charges

CSPGCL's Submission

CSPGCL submitted that it has claimed the statutory and other charges such as water charges, SLDC charges, Start-up power charges, etc., on reimbursement basis, as per the MYT Regulations, 2021. CSPGCL has recovered the same accordingly. In view of the above, on these counts, no deficit/surplus is claimed in true up.

CSPGCL submitted that Water Charges and SLDC Charges of Rs. 140.94 Crore have been claimed for FY 2023-24.

Commission's View

For the purpose of the truing up for FY 2023-24, the Commission has considered Statutory Charges based on audited accounts for FY 2023-24.

5.24 Petition Filing Fee & Publication Expenses

CSPGCL submitted that as per Regulation 109, of the MYT Regulations, 2021, the Petition filing fee and publication expenses are directly chargeable and as such the expenses incurred towards petition filing fee and publication expenses have been reduced from O&M expenses and are being claimed separately.

Commission's View

For the purpose of the truing up for FY 2023-24, the Commission has considered the Petition filing fee and publication expenses based on audited accounts for FY 2023-24.

5.25 Aggregate Revenue Requirement for CSPGCL for FY 2023-24

The Summary of ARR claimed by CSPGCL and approved by the Commission after true-up for HTPS, DSPM, HBPS, ABVTPS, and KWTPP for FY 2023-24 is shown in the following Table:

Table 5-38: Approved ARR for CSPGCL's Generating Stations for FY 2023-24 (Rs. Crore)

Particulars	Approved as per T.O. dated 13.04.22						CSPGCL Petition for True up for FY 2023-24						Approved for True up of FY 2023-24					
	HTPS	DSPM TPS	KWTPP	ABVTPS	HBPS	TOTAL	HTPS	DSPM TPS	KWTPP	ABVTPS	HBPS	TOTAL	HTPS	DSPM TPS	KWTPP	ABVTPS	HBPS	TOTAL
Annual Capacity Charges																		
Depreciation	152.71	131.84	258.33	555.53	2.58	1100.98	53.65	131.22	222.84	522.34	2.62	932.66	52.63	131.22	222.84	522.34	2.62	931.65
Interest & Finance Charges	4.28	0.00	110.18	407.79	0.29	522.52	14.39	0.20	107.04	415.27	0.23	537.14	14.15	0.20	107.04	415.27	0.23	536.90
Return on Equity	67.37	100.48	90.08	155.10	5.73	418.76	66.59	100.12	87.64	154.31	5.62	414.27	66.42	100.12	87.64	154.31	5.62	414.10
O&M Expense	392.05	189.02	111.88	245.06	15.69	953.70	308.90	203.08	118.26	275.41	7.65	913.30	308.90	203.08	118.26	275.41	7.65	913.30
Special Allowance	39.90					39.90	32.80					32.80	32.80					32.80
Interest on Working Capital	24.65	17.41	14.39	39.15	0.42	96.02	23.17	16.90	13.44	37.38	0.67	91.56	28.72	20.73	17.07	46.66	0.90	114.08
Less: Non-Tariff Income	8.18	4.41	3.96	8.20	0.02	24.77	19.59	4.76	3.55	9.22	0.01	37.12	19.59	4.76	3.55	9.22	0.01	37.12
Total Annual Capacity charge	**672.77**	**434.35**	**580.90**	**1394.41**	**24.68**	**3107.13**	**479.91**	**446.74**	**545.67**	**1395.50**	**16.79**	**2884.61**	**484.09**	**450.58**	**549.30**	**1404.77**	**17.02**	**2905.70**
Cost of Coal	789.17	562.65	462.10	1232.24	0.00	3046.16	893.55	664.01	518.27	1421.40	0.00	3497.24	893.55	663.93	518.27	1420.13	0.00	3495.88
Cost of Oil	28.66	10.85	11.62	22.19	0.00	73.33	21.17	5.78	8.99	8.62	0.00	44.56	21.17	5.78	8.99	8.62	0.00	44.56
Total Energy Charges	**817.83**	**573.50**	**473.73**	**1254.43**	**0.00**	**3119.49**	**914.72**	**669.80**	**527.26**	**1430.03**	**0.00**	**3541.80**	**914.72**	**669.71**	**527.26**	**1428.75**	**0.00**	**3540.44**
Contribution to Gratuity/Pension Fund	150.74	55.93	33.48	91.55	4.77	336.47	150.742	55.925	33.479	91.549	4.773	336.47	150.74	55.93	33.48	91.55	4.77	336.47
Ash Utilisation Expenses (Change in law)	0.00	0.00	0.00	0.00	0.00	0.00	25.45	13.88	30.77	33.47	0.00	103.58	25.45	13.88	30.77	33.47	0.00	103.58
Aggregate Revenue Requirement (ARR)	**1641.35**	**1063.78**	**1088.10**	**2740.40**	**29.46**	**6563.08**	**1570.82**	**1186.34**	**1137.18**	**2950.54**	**21.56**	**6866.45**	**1574.95**	**1190.10**	**1140.81**	**2958.53**	**21.79**	**6886.18**

5.26 Sharing of Gains and Losses

Regulation 11 of the MYT Regulations, 2021 specifies as under:

"11. CONTROLLABLE AND UN-CONTROLLABLE FACTORS

11.1 For the purpose of these Regulations, the term "uncontrollable factors" shall comprise of the following factors, but not limited to, which were beyond the control of the applicant, and could not be mitigated by the applicant:

(a) Force Majeure events;

(b) Change in law

... ...

11.2 For the purpose of these Regulations, the term "Controllable factors" shall comprise of the following:

...

(b) Generation Performance parameters like PLF, SHR, Auxiliary consumption, PAF etc;

...

(f) Variation in Wires Availability and Supply Availability"

Further, Regulation 12 of the MYT Regulations, 2021 specifies as under:

"12. MECHANISM FOR PASS THROUGH OF GAINS OR LOSSES ON ACCOUNT OF UNCONTROLLABLE FACTORS

The aggregate net gains / losses to the generating company or STU/transmission licensee or distribution licensee or SLDC on account of uncontrollable items (as per the tariff order) over such period shall be passed on to beneficiaries/consumers through the next ARR or as may be specified in the Order of the Commission passed under these Regulation."

Regulation 13 of the MYT Regulations, 2021 specifies as under:

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

13.1 The mechanism for sharing of aggregate net gain on account of over achievement in reference to the target set in tariff order for efficiency linked controllable items and energy losses computed in accordance to Regulation 98 shall be passed on to the beneficiary / consumer(s) and retained by the generating company or the licensee or SLDC, as the case may be, in the ratio of 2: lor as may be specified in the Order of the Commission passed under this Regulation.

13.2. The mechanism for sharing of aggregate net loss on account of under *achievement in reference to the target set in tariff order for efficiency linked controllable items shall be passed on to the beneficiary / consumer(s) and retained by the generating company or the licensee, as the case may be, in the ratio of 1:2 or as may be specified in the Order of the Commission passed under these Regulations."*

CSPGCL's Submission

CSPGCL submitted that Regulation 13 specifies the method for sharing of gains and losses. The well settled principles, as adopted by the Commission in previous Orders, have been adopted.

Commission's View

The sharing of gains and losses on account of controllable factors has been computed in accordance with the methodology adopted by the Commission in previous Orders. The contribution to P&G Fund and Employee Cost has been excluded from the calculations, and gains/losses have been shared in accordance with the Regulation 13 of the MYT Regulations, 2021. Further, sharing of gains and losses of DSM Charges has also been considered.

The sharing of gains and losses after final True-up for FY 2023-24 is as shown in the Table below:

Table 5-39: Approved Sharing of Gains and Losses after final True-up for FY 2023-24 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	%	78.00%	85.00%	85.00%	82.00%	
NAPAF (FOR Gains) as per MYT Regulations		80.00%	85.00%	85.00%	85.00%	
Actual PAF achieved (billed)	%	78.91%	94.49%	84.75%	85.26%	
Normative Net Generation	MU	5197.01	3397.21	3537.21	6824.73	316.88
Actual Net generation	MU	5287.03	3748.31	3560.74	7018.12	320.73
Net generation for Fuel Cost recovery	**MU**	**5287.03**	**3748.31**	**3560.74**	**7018.12**	**320.73**
Fixed Cost (norm-wise)						
Depreciation	Rs Cr	52.63	131.22	222.84	522.34	2.62
Interest on Loan and Finance charges	Rs Cr	14.15	0.20	107.04	415.27	0.23
Return on Equity	Rs Cr	66.42	100.12	87.64	154.31	5.62
Interest on Working Capital	Rs Cr	28.72	20.73	17.07	46.64	0.90
O & M Expenses	Rs Cr	308.90	203.08	118.26	275.41	7.65
Less – Non-Tariff Income	Rs Cr	19.59	4.76	3.55	9.22	0.01
Fixed Cost allowed on Normative Basis	**Rs Cr**	**451,24**	**450.58**	**549.30**	**1404.76**	**17.02**
Fixed cost expenditure excluding O&M	Rs Cr	142.34	247.51	431.05	1129.35	9.36
Normative Fixed Cost (Cr. Rs/% of PAF) excluding O&M	Rs Cr./%PAF	1.82	2.91	5.07	13.29	0.0295

Particulars	Units	HTPS	DSPM	KWTPP	ABVTPS	Hasdeo Bango
Pro-rata Fixed cost allowable from Actual PAF	Rs Cr	144.00	275.14	429.78	1132.80	9.48
Fixed cost gain from normative cost	**Rs Cr**	**0.00**	**27.63**	**(1.27)**	**3.45**	**0.11**
Total gain / loss	**Rs Cr**	**29.93**				
R&M + A&G expenses						
Normative R&M + A&G Cost allowed	Rs Crore	167.15	99.49	67.91	135.82	1.77
Normative R&M + A&G Cost (Cr. Rs/% of PAF)	Rs Cr./%PAF	2.09	1.17	0.80	1.60	0.01
Pro-rata R&M + A&G cost allowable from actual PAF	Rs Crore	164.87	110.60	67.71	136.23	1.79
Actual R&M + A&G expenditure	Rs Crore	125.50	90.21	63.67	133.83	0.49
Difference of recovery and expenditure	**Rs Cr**	**39.36**	**20.39**	**4.04**	**2.40**	**1.30**
Total gain / loss	**Rs Cr**	**67.50**				
Secondary Fuel Cost						
Normative SFC	Rs Cr	32.70	13.63	14.52	26.96	
Normative SF Cost derived from Norm Net Gen	Rs/kwh	0.06	0.04	0.04	0.04	
Secondary fuel cost recovery from actual generation	Rs Cr	33.26	15.04	14.61	27.73	
Actual SFC incurred	Rs Cr	21.17	5.78	8.99	8.62	
Savings due to performance improvement	**Rs Cr**	**12.10**	**9.25**	**5.62**	**19.11**	
Total Impact of Savings/Excess Expenditure due to SFC	Rs Cr	**46.08**				
Coal Cost (primary fuel)						
Normative Coal Cost	Rs Cr	798.90	573.22	467.80	1300.13	
Normative ECR (Coal)	Rs/kwh	1.54	1.69	1.32	1.91	
Normative fuel cost on actual sent out	Rs Cr	812.74	632.47	470.92	1336.97	
Actual fuel cost	Rs Cr	893.55	663.93	518.27	1420.13	
Coal Cost Surplus/(deficit)	**Rs Cr**	**(80.81)**	**(31.46)**	**(47.35)**	**(83.16)**	
Total Impact of Savings/Excess Expenditure due to Coal	**Rs Cr**	**(242.79)**				
Total plant wise impact of gain/ loss	**Rs Cr**	**(29.35)**	**25.81**	**(38.95)**	**(58.20)**	**1.42**
Total Impact of Savings/Excess Expenditure	**Rs Cr**	**(99.27)**				
Plant-wise Impact of DSM Charges	**Rs Cr**	25.07	19.90	23.22	57.93	0.00
Total Impact of DSM Charges	**Rs Cr**			**126.12**		
Net total Impact Savings/Excess Expenditure	**Rs Cr**			**26.86**		
Net applicable Gain/(Loss) to CSPGCL	**Rs Cr**	**8.95**				
Plant-wise gain/loss excl. DSM	**Rs Cr**	**(19.57)**	**17.21**	**(25.97)**	**(38.80)**	**0.94**
Plant-wise gain/loss with DSM	**Rs Cr**	(2.86)	30.48	(10.49)	(0.17)	0.94

From the above Table, it is seen that there is a net gain of Rs. 26.86 Crore for CSPGCL in FY 2023-24. As per the provisions of the Regulations, 1/3rd of this gain has to be retained by CSPGCL and remaining 2/3rd will be passed on to the consumers of the

State. Accordingly, the Commission approves the gain of Rs. 8.95 Crore for FY 2023-24, after undertaking the sharing of gains and losses.

5.27 Revenue Gap/(Surplus) for CSPGCL for FY 2023-24

CSPGCL's submission

The Revenue from sale of power has been considered as per actual bills. As adopted by the Commission in the previous Orders, along with the recognition of the revenue billed in the billing sheets of April to March of the corresponding financial year, corresponding FCA is also included.

The Commission in the previous Order had approved the cumulative revenue gap Rs. 24.28 Crore up to FY 2024-25 to be recovered from CSPDCL in ten (10) equal instalments starting from June 2024. While CSPGCL has refrained from making any submission on the standalone gap for FY 2022-23, the carrying cost computation deserves a relook. For ready reference, the carrying cost computation in true up of FY 2022-23 is summarized as under:

Table 5-40: Approved Revenue Gap for FY 2022-23 with carrying cost

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Opening Gap/(Surplus) for the year	0	21.84	23.43
Gap/(Surplus) for the year	21.07		
Closing Gap/(Surplus)	21.07	21.84	-
Interest Rate (%)	7.27%	7.27%	7.27%
Holding/Carrying Interest/Cost for the year	0.77	1.59	0.85
Closing Gap/(Surplus)	**21.84**	**23.43**	**24.28**
Total Proposed to be repaid in Ten monthly instalments			**24.28**

The Commission had considered the interest rate as applicable for interest on Working Capital for FY 2022-23 (7.27%) for calculation of carrying cost for FY 2023-24 and FY 2024-25, as against 9.00% claimed by CSPGCL. Since, the final rate of interest on working capital for FY 2023-24 shall be decided in this Petition and similarly the rate of interest on working capital for FY 2024-25 shall achieve finality at the time of true up of FY 2024-25, hence, considering the rationale that the carrying cost shall be equal to the interest rate on working capital, the carrying cost for FY 2023-24 towards the revenue gap approved for FY 2022-23 is claimed in this Petition and for FY 2024-25 will be claimed in true up Petition for FY 2024-25.

In this regard, CSPGCL vide its letter dated 06.08.2024 has already made its detailed submission on computation of carrying cost on revenue gap. Accordingly, additional claim of Rs. 0.20 Crore towards carrying cost for FY 2023-24 on the previous approved revenue gap for FY 2022-23 has been claimed on account of actual interest rate of working capital.

Accordingly, interest rate of 8.22% for FY 2023-24, interest rate of 9% for FY 2024-25 as approved in MYT Order, and interest rate of 10.95% for FY 2025-26 (as considered in the Petition for FY 2025-26) have been considered. True up of carrying cost due to truing up of interest rate of working capital for any year will be claimed in true up Petition for that year.

CSPGCL proposed to recover the Revenue Gap/(Surplus) in 12 equal monthly instalments in the ensuing financial year, i.e., FY 2025-26.

Table 5-41: Computation of carrying cost by CSPGCL

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening Gap/(Surplus) for the year	0.00	256.37	279.44
Gap/(Surplus) for the year	246.05	0.00	0.00
Closing Gap/(Surplus)	246.05	256.37	0.00
Interest Rate (%)	8.22%	9.00%	10.95%
Holding/Carrying Interest/Cost for the year	10.12	23.07	15.30
Closing Gap/(Surplus)	**256.17**	**279.44**	**294.74**
Total Proposed to be repaid in twelve monthly instalment			**294.74**
Monthly instalment			**24.56**

Commission's view

The Commission has considered the revenue from sale of power based on the Audited Accounts submitted by CSPGCL for FY 2023-24 and revenue reconciliation submitted by CSPGCL.

The Water Charges, SLDC Charges and Start Up Power Charges have been considered separately for FY 2023-24. The revenue from DSM Charges have been apportioned to the respective Generating Station.

The Commission has considered the Income Tax of Rs. 111.21 Crore approved in earlier section of this Order separately in the Revenue Gap/(Surplus) Table for FY 2023-24.

In view of the above, the Revenue Gap/(Surplus) after final truing up for CSPGCL for FY 2023-24 has been approved as shown in the Table below:

Table 5-42: Revenue Gap/(Surplus) after True-up for FY 2023-24 for CSPGCL (Rs. Crore)

Particulars	CSPGCL Petition	Approved
ARR for HTPS	1570.82	1574.95
ARR for DSPM TPS	1186.34	1190.10
ARR for KWTPP	1137.18	1140.81

Particulars	CSPGCL Petition	Approved
ARR for ABVTPS	2950.54	2958.53
ARR for Hasdeo Bango	21.56	21.79
Sub Total	**6,866.45**	**6886.18**
Additional claim on account of sharing gain (loss) of CSPGCL	8.78	8.95
Petition Filing Fee & Advertising expenses	0.35	0.35
Impact of previous year revenue gap	538.04	538.04
Water, SLDC charges & start up power for recovery	140.94	140.94
Income Tax for Current Year	111.21	111.21
Prior period Statutory Charges GP-III	32.09	32.09
Total ARR	**7,697.86**	**7717.77**
Revenue from sale of power for HTPS	1,677.79	1,677.79
Revenue from sale of power for DSPM TPS	1,154.04	1,154.04
Revenue from sale of power for KWTPP	1,095.94	1,095.94
Revenue from sale of power for ABVTPS	2,811.03	2,811.03
Revenue from sale of power for Hasdeo Bango	34.02	34.02
Revenue from Sale of Power	**6,772.83**	**6,772.83**
Water, SLDC charges & start up power for recovery	140.94	140.94
Recovery Impact of previous year revenue gap	538.04	538.04
Total Recovery & Revenue	**7,451.81**	**7,451.81**
Standalone ARR Gap for the year	**246.05**	**265.96**

The Commission approves Standalone Revenue Gap of Rs. 265.96 Crore after Truing-up of FY 2023-24.

The Commission has considered carrying cost on the Revenue Gap arrived after final Truing-up of FY 2023-24.

The Commission notes that CSPGCL has claimed carrying cost on the Revenue Gap/(Surplus) without considering the following years' actual Working capital interest rate. CSPGCL has computed the resultant shortfall in carrying cost allowed to CSPGCL in truing up of FY 2022-23 and considered the impact of Rs. 0.20 Crore for recovery in FY 2025-26. In this regard, the Commission notes that CSPGCL have been allowed Carrying Cost based on the rate of interest approved for the true-up year in True up of FY 2022-23. The reason for that is during true up its carrying cost should achieve finality. As at the time of true up the current year's and Tariff year's applicable interest rate are not finalised hence, the Commission is of the opinion that carrying cost should be computed considering approved Working capital interest rate considered for the True up year. Hence, CSPGCL's claim of impact of Rs. 0.20 Crore is not allowed.

On similar lines, the Commission has considered the interest rates as applicable for interest on Working Capital for FY 2023-24 for computing the carrying cost for the period from FY 2023-24 to FY 2025-26. The recovery has been considered in the balance nine months of FY 2025-26 and carrying cost has been allowed accordingly is as shown in the Table below:

Table 5-43: Revenue Gap after True-up for FY 2023-24 for CSPGCL along with carrying cost (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Opening Gap/(Surplus) for the year	0.00	276.89	299.66
Gap/(Surplus) for the year	265.96	0.00	0.00
Closing Gap/(Surplus)	265.96	276.89	0.00
Interest Rate (%)	8.22%	8.22%	8.22%
Holding/Carrying Interest/Cost for the year	10.93	22.77	12.32
Closing Gap/(Surplus)	276.89	299.66	311.98
Total Proposed to be repaid in FY 2025-26			**311.98**
Monthly instalment for remaining 9 months of FY 2025-26			**34.66**

Accordingly, the Revenue Gap including carrying cost, which is required to be factored in the revenue requirement of CSPDCL for FY 2025-26 works out to Rs. 311.98 Crore.

The Commission, hence, approves cumulative Revenue Gap of Rs. 311.98 Crore up to FY 2025-26 for CSPGCL. CSPGCL is allowed to recover the same in 9 equal monthly installments from July 2025 from CSPDCL. This Revenue Gap has been adjusted in ARR of CSPDCL for FY 2025-26 as discussed in subsequent Chapter.

6 TRUE-UP OF ARR FOR FY 2023-24 FOR CSPTCL

6.1 Background

The Commission notified the CSERC MYT Regulations, 2021 for the 4th MYT Control Period from FY 2022-23 to FY 2024-25 on November 14, 2021. The Commission issued the last Tariff Order dated 1 June 2024 on true up of ARR for FY 2022-23 based on the audited accounts for FY 2022-23 and Determination of Transmission Tariff for FY 2024-25. The Commission has determined the ARR and Tariff for FY 2023-24 in the MYT Order dated 13 April 2022 and the final true up of ARR for FY 2023-24 had been carried out by comparing actual performance with the values as approved in the MYT Order dated April 13, 2022.

Based on the audited accounts of FY 2023-24, CSPTCL has submitted the Petition for final true-up of ARR for FY 2023-24.

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

"10.4. The scope of the truing up shall consist of comparison of the performance of the generating company or STU/ transmission licensee or distribution licensee or SLDC with the approved forecast and shall include following:

(a) A comparison of the audited performance of the applicant for the previous financial year(s) with the approved forecast for such previous financial year(s), subject to the prudence check including pass-through of impact of uncontrollable factors;

(b) Review of compliance to directives issued by the Commission from time to time;

(c) Any other relevant details."

In accordance with the above Regulation, in the present Order, final true-up of ARR for FY 2023-24 is undertaken based on audited accounts as submitted by CSPTCL.

In this Chapter, the Commission has analysed all the elements of actual expenditure and revenue of CSPTCL for FY 2023-24 and undertaken the final true-up of expenses and revenue in accordance with Regulation 10 of the MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between CSPTCL and its beneficiaries, in accordance with Regulation 13 of the MYT Regulations, 2021.

6.2 Transmission System of CSPTCL

The physical status of the transmission system of CSPTCL as on March 31, 2024, as submitted by CSPTCL, is shown in the Table below:

Table 6-1: Physical status of transmission system of CSPTCL as on March 31, 2024

Particulars	Units	As on March 31, 2023	Addition in FY 2023-24	As on March 31, 2024
A. EHV Transmission Lines				
400 kV	ckt. km.	1917.52	0	1917.52

Particulars	Units	As on March 31, 2023	Addition in FY 2023-24	As on March 31, 2024
220 kV	ckt. km.	4032.19	52.81	4085.00
132 kV	ckt. km.	7870.07	60.93	7931.00
Total	**ckt. km.**	**13819.78**	**113.74**	**13933.52**
B. EHV Substations				
400 kV	No.	4	0	4
220 kV	No.	26	0	26
132 kV	No.	100	3	103
Total	**No.**	**130**	**3**	**133**

6.3 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 2023-24 is 3.51%. The computation of the transmission losses submitted by CSPTCL is shown in the Table below:

Table 6-2: Transmission Losses for FY 2023-24 as submitted by CSPTCL (MU)

Sr. No.	Particulars	FY 2023-24
1	State Generation Ex-Bus at 132 kV and above (MU)	19,942.29
2	Drawal from CTU Grid at CG Periphery at 132 kV and above (MU) (Net)	15,825.90
3	IPPs/CPP Injection in CSPTCL System at 132 kV & above (MU)	1,625.41
4	**Total Injection at State Grid of STU (MU) (1+2+3)**	**37,400.42**
5	EHV Sales from Sub-Station (MU)	5,722.13
6	Net Output to DISCOM (MU)	30,366.08
7	**Total Output from CSPTCL System (5+6)**	**36,088.21**
8	Transmission Loss (MU)	1,312.21
9	**Transmission Loss (%)**	**3.51%**

Commission's View

In the Tariff Order for FY 2023-24 dated April 13, 2022, the transmission losses were approved as 3.00% for FY 2023-24. CSPTCL has reported higher transmission loss of 3.51% in FY 2023-24 as compared to the approved loss level of 3%.

The Commission has analysed the information submitted by CSPTCL for computation of transmission loss for FY 2023-24 and found that transmission loss computed by CSPTCL is correct. MYT Regulations 2021, specifies transmission loss as uncontrollable factor; therefore, the Commission has accepted the transmission loss for FY 2023-24 as submitted by CSPTCL. Accordingly, the

Commission approves the actual transmission loss of 3.51% for FY 2023-24 as submitted by CSPTCL.

6.4 Operations and Maintenance (O&M) Expenses

CSPTCL's Submission

CSPTCL has claimed O&M expenses in accordance with Regulation 73.5 of the MYT Regulations, 2021. CSPTCL submitted that O&M expenses comprise Employee expenses and Maintenance & General (M&G) expenses.

Employee Expenses

CSPTCL submitted that, based on the audited accounts for FY 2023-24, the gross employee expenses (net of employee expenses on account of SLDC) is Rs. 283.50 Crore for FY 2023-24, as shown in the following Table:

Table 6-3: Gross Employee Expenses for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	Actual
1	Gross Employee Expenses (CSPTCL + SLDC) excluding Terminal Benefits	294.70
2	Less: SLDC Employee Expenses (including interim wage relief)	11.20
3	**CSPTCL Gross Employee Expenses**	**283.50**

The capitalisation of employee expenses has been considered as Rs. 8.61 Crore for FY 2023-24. CSPTCL requested the Commission to approve actual net employee expenses (net of capitalization) of Rs. 283.50 Crore for FY 2023-24.

CSPTCL submitted the details of sanctioned employee strength, current employee strength, and vacant positions for different class of employees, as on March 31, 2024. The total sanctioned strength of different class of employees inclusive of SLDC is 3,294 out of which 1,613 are currently working and balance 1,681 are envisaged to be filled in the coming financial years, as shown in the Table below:

Table 6-4: Employee strength of CSPTCL as on 31st March 2024

Sr. No.	Particulars	Sanctioned	Working	Vacant
CSPTCL				
1	Class I	182	170	12
2	Class II	263	194	69
3	Class III	1616	893	723
4	Class IV	1157	306	851
5	**Total**	**3218**	**1563**	**1655**

Sr. No.	Particulars	Sanctioned	Working	Vacant
CSLDC				
1	Class I	20	18	2
2	Class II	24	16	8
3	Class III	24	14	10
4	Class IV	8	2	6
5	**Total**	**76**	**50**	**26**
CSPTCL + CSLDC				
1	Class I	202	188	14
2	Class II	287	210	77
3	Class III	1640	907	733
4	Class IV	1165	308	856
5	**Total**	**3294**	**1613**	**1681**

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 2023-24 based on the audited accounts for FY 2023-24, as shown in the Table below:

Table 6-5: Gross A&G expenses and R&M expenses for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	Actual
1	Gross A&G Expenses	55.75
2	Less: SLDC Expenses	0.00
3	**CSPTCL Gross A&G Expenses**	**55.75**
4	Gross R&M Expenses	64.76
5	Less: SLDC Expenses	0.00
6	**CSPTCL Gross R&M Expenses**	**64.76**

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. 0.74 Crore for FY 2023-24. 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 6-6: O&M Expenses for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	MYT Order	Petition
1	Gross Employee Expenses	260.62	283.50

Sr. No.	Particulars	MYT Order	Petition
2	Gross A&G Expenses	53.86	55.75
3	Gross R&M Expenses	46.80	64.76
4	**Gross O&M Expenses (excluding SLDC)**	**361.28**	**404.01**
5	Employee expenses capitalized	9.71	8.61
6	A&G Expenses capitalized	1.34	0.74
7	**Net O&M Expenses (excluding SLDC)**	**350.22**	**394.66**

CSPTCL requested the Commission to approve O&M expenses as per audited accounts as shown in the above Table.

Sharing of gains and losses on account of O&M expenses

CSPTCL submitted that the MYT Regulations, 2021 allows incentive/ disincentive for better/under performance vis-à-vis operational norms so that such efforts are appropriately reflected, thereby, ensuring improved efficiency on a sustainable basis.

CSPTCL has computed gain and losses in accordance with Regulations 8, 11.2, and 13 of the MYT Regulations 2021. Accordingly, the employee expenses have been considered based on actuals and have not been subjected to sharing of gains or losses. CSPTCL requested the Commission to approve Rs. 283.50 Crore as gross employee expenses and capitalisation of employee expenses as Rs. 8.61 Crore for FY 2023-24.

CSPTCL submitted that the normative A&G expenses and R&M expenses for FY 2022-23 as determined in the final true-up of ARR for FY 2022-23 have been considered to arrive at the normative A&G and R&M expenses for FY 2023-24. The same have been escalated by the increase in WPI of 5.78% for FY 2023-24 to arrive at the normative expenses for FY 2023-24.

The gain/(loss) of Rs. (2.66) Crore on account of expenditure in actual A&G and R&M expenses as compared to the normative A&G and R&M expenses has been considered as part of the true-up of ARR for FY 2023-24.

Commission's View

As regards O&M Expenses, Regulation 73.5 of the MYT Regulations, 2021 specifies as under:

"73.5 Operation and Maintenance expenses

73.5.1. Human Resource (HR) Expenses

a) HR expenses shall include:

(i) Employee costs;

(ii) Impact of Pay revision;

(iii) Manpower deployed on outsourcing basis;

b) *The Commission shall stipulate a separate trajectory for each of the components of HR expenses for the Control Period.*

c) *The HR expenses include employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing basis, pension fund contribution, and any other expense of non-recurring nature related to HR. The base year i.e., FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of the pay revision arrears and any other expense of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.*

d) *The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI(IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value of FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expense (excluding impact of pension fund contribution and pay revision and any other expense of non-recurring nature, if any) for each year of the control period.*

e) *At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism.*

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

f) *CPI (IW) (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}*

73.5.2. Maintenance & General (M&G) Expenses

a) *Maintenance & General (M&G) expenses shall include:*

   (i) *Administrative and General (A&G) expenses;*

   (ii) *Repair and Maintenance (R&M) expenses*

b) *The Commission shall stipulate a separate trajectory for M&G expenses i.e., R&M and A&G expenses for the Control period.*

c) *The A&G expenses (excluding expenses towards outsourcing manpower if any) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower if any) available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non-recurring nature shall be excluded while determining normalized average for the previous* *five (5) years.*

d) *For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the A&G expense.*

e) *R&M expenses for the first year of the control period shall be calculated as a percentage (as per the norm decided in the tariff order) of opening Gross Fixed Assets. For arriving at the R&M expenses of the subsequent years of the control period, projected WPI rate shall be applied on the estimated R&M expenses of the first year.*

f) *Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry of Commerce & Industry, Government of India {Base Year: 2011-12 Series};*

g) *Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}*

h) ***At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period**.*

73.5.3. In cases the additional O&M expenses incurred due to additional capital investment or any change in law or any direction by any statutory authority shall be pass-through over and above the O&M charges allowed in the Tariff order after prudence check by the Commission."(emphasis added)

The above Regulations specify that at the time of truing up, the O&M Expenses shall be considered after considering the actual inflation instead of projected inflation for that period.

However, it is observed that CSPTCL, while calculating normative A&G Expenses and R&M Expenses in the true-up for FY 2023-24, has considered an escalation factor equal to the average inflation rate of the past five years instead of the actual inflation rate for the current year. In response to the Commission’s query in this regard, CSPTCL submitted that the actual increase in WPI for FY 2023-24 has been negative, which does not represent the actual increase in expenses. Hence, CSPTCL has considered average increase in WPI in last five years to compute the normative expenses.

The Commission acknowledges that the actual increase in WPI for FY 2023-24 was negative. In line with the MYT Regulations, 2021, the applicable escalation factor for calculating R&M expenses works out to -0.74% (100% WPI). It may be noted that growth in escalation indices is always computed with reference to the index in the previous period, and as the WPI for FY 2023-24 has reduced, the escalation index in FY 2024-25 will be correspondingly higher, which will be allowed at actuals in the true-up for FY 2024-25. Hence, applying a different escalation index merely because the same works out to be negative for a particular year, as proposed by CSPTCL, is not appropriate. At the same time, considering a negative escalation rate will also not be appropriate. Therefore, the Commission has considered 0% escalation factor for computing revised normative R&M Expenses for FY 2023-24, as else, the normative R&M expenses for FY 2023-24 would work out to be lower than the normative R&M expenses for FY 2022-23.

Accordingly, the Commission has considered an escalation factor of 2.82% (40% weightage of WPI and 60% weightage of CPI) for calculating A&G expenses and an escalation factor of 0 % (100% WPI) for calculating R&M expenses for FY 2023-24. The base-year's O&M Expenses value is considered as approved in the final true-up for FY 2022-23 in the Order dated 01.06.2024.

Further, Regulation 73.5.3 of the MYT Regulations, 2021, provides for consideration of additional O&M expenses on account of new transmission lines/sub-stations. In line with the methodology adopted by the Commission in the previous Orders, the Commission has computed the additional O&M expenses by considering approved GFA with the base O&M expenses allowed for the previous year and in the same proportion for corresponding increase in GFA. The additional normative A&G expenses and R&M expenses on account of new transmission lines and sub-stations for FY 2023-24 are computed as shown in the Table below:

Table 6-7: Computation of Additional A&G expenses and R&M expenses for FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	Legend/Formula	FY 2023-24
Average of Opening and Closing GFA for previous FY	A	5798.24
Average of Opening and Closing GFA for current FY	B	6242.21
Increase in GFA (%)	C=(B-A)/Ax100	7.66%
Normative A&G Expenses approved in this Order	D	55.99
Normative R&M Expenses approved in this Order	E	58.37
Additional A&G Expenses on account of increase in GFA for FY 2023-24	**F=D x C**	**4.29**
Additional R&M Expenses on account of increase in GFA for FY 2023-24	**G = E x C**	**4.47**

The Commission has observed that CSPTCL did not submitted the detailed computation of revised normative M&G expenses and additional M&G expenses in the Petition. In response to the query raised by the Commission regarding the same, CSPTCL submitted the computation of revised normative M&G expenses and additional M&G expenses for FY 2023-24.

For the purpose of true-up for FY 2023-24, the Commission approves the revised 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 6-8: Approved Revised Normative A&G Expenses and R&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Revised Submission by CSPTCL	Revised Normative
A&G Expenses	52.32	57.25	60.28
R&M Expenses	57.20	63.26	62.84
Grand total	**109.52**	**120.51**	**123.12**

The Commission has undertaken sharing of gains and losses of normative expenses vis-à-vis actual expenses for FY 2023-24 in accordance with the MYT Regulations, 2021.

The actual Employee expenses have been approved based on audited accounts and clarifications sought from CSPTCL, as shown in the Table below:

Table 6-9: Approved Actual Employee Expenses for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Gross Employee Expenses (CSPTCL + SLDC) excluding terminal benefits	294.70	294.70
2	Less: SLDC Employee Expenses	11.20	11.20
3	Gross Employee Expenses (excluding SLDC)	283.50	283.50
4	Less: Employee Cost Capitalized	8.61	8.61
5	**Net Employee Expenses**	**274.89**	**274.89**

The Commission observed a discrepancy between the gross A&G expenses and R&M Expenses claimed in the Original Petition with the amount submitted in Form F3 of the Tariff formats. Subsequently, in response to the query raised by the Commission, CSPTCL changed the gross A&G expenses and gross R&M expenses in the revised Petition. The gross A&G expenses and gross R&M expenses claimed by CSPTCL in the revised Petition are Rs. 59.20 Crore and Rs. 63.12 Crore, respectively.

Further, the Commission observed that CSPTCL in Table 18 of the revised Petition has claimed A&G Expenses and R&M Expenses of SLDC as NIL, and Rs. 1.64 Crore, respectively. However, subsequent replies to data gaps and Audited Accounts provided by the Petitioner indicate A&G Expenses of Rs. 0.88 Crore and R&M Expenses of Rs. 1.64 Crore for SLDC for FY 2023-24.

Accordingly, the Commission has approved actual A&G expenses and R&M expenses for CSPTCL for FY 2023-24 considering the audited annual accounts, as shown in the following Table:

Table 6-10: Approved Actual A&G Expenses and R&M Expenses for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
1	Gross A&G Expenses	55.75	59.20	60.08
2	Less: SLDC Expenses	0.00	0.00	0.88
3	**Gross A&G Expenses (Excluding SLDC)**	**55.75**	**59.20**	**59.20**
4	A&G Expenses Capitalized	0.74	0.74	0.74
5	**Net A&G Expenses**	**55.01**	**58.46**	**58.46**
6	Gross R&M Expenses	64.76	64.76*	64.76
7	Less: SLDC Expenses	0.00	1.64*	1.64
8	**Gross R&M Expenses (Excluding SLDC)**	**64.76**	**63.12**	**63.12**
9	R&M Expenses Capitalized	-	-	-
10	**Net R&M Expenses**	**64.76**	**63.12**	**63.12**

**As submitted in Reply to Data gaps Set-II*

The sharing of gains and losses in M&G expenses computed after final true-up for FY 2023-24, computed in accordance with Regulation 73.5.1 of the MYT Regulations, 2021, is shown in the following Table:

Table 6-11: Sharing of gain/(loss) on A&G Expenses and R&M expenses for FY 2023-24 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/ (Loss)
A	Net A&G expenses	60.28	58.46	1.82
B	Net R&M expenses	62.84	63.12	(0.28)
C	**Total Gain/(Loss)**	**123.12**	**121.58**	**1.54**
D	**CSPTCL share (1/3 of Total Gain)**			**0.51**

6.5 Contribution to Pension and Gratuity Fund

CSPTCL's Submission

CSPTCL submitted that the Commission, in the MYT Order dated April 13, 2022, allowed contribution of Rs. 126.40 Crore to Pension and Gratuity (P&G) Fund for FY 2023-24. Accordingly, CSPTCL has made P&G contribution of Rs. 126.40 Crore.

Commission's View

The Commission approves the actual Contribution to P&G Fund for FY 2023-24 as submitted by CSPTCL, as shown in the following Table:

Table 6-12: Contribution to P&G Fund for FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	Tariff Order dated 13.04.2022	Petition	Approved
Contribution to P&G Fund	126.40	126.40	126.40

6.6 Gross Fixed Assets

CSPTCL's Submission

CSPTCL submitted that the Commission, in the MYT Order for the Control Period from FY 2022-23 to FY 2024-25 dated April 13, 2022, had approved the methodology for determination of capital structure into consumer contribution, debt and equity. The capital structure for FY 2023-24 has been considered as follows:

- The opening Capital Works in Progress (CWIP) of Rs. 552.75 Crore for FY 2023-24 has been considered equal to the closing CWIP of FY 2022-23 as per the true-up of ARR for FY 2022-23;
- Closing CWIP of Rs. 480.43 Crore has been considered as per the audited accounts for FY 2023-24;
- The actual loan addition of Rs. 315.81 Crore has been considered as per the audited accounts for FY 2023-24;
- GFA addition of Rs. 536.52 Crore (net of GFA addition for SLDC) has been considered on cash basis for FY 2023-24;
- Assets generated on account of Consumer Contribution have been taken as Nil, considering their value as Rs.1 only as per Accounting Standards;
- The normative debt: equity ratio has been considered as 70:30 for additional capitalisation during the year as per the MYT Regulations, 2021.

CSPTCL submitted that assets worth Rs. 536.52 Crore have been capitalised on cash basis during FY 2023-24, and are part of GFA mentioned in Audited Accounts of FY 2023-24, which excludes asset created through Consumer Contribution/grant.

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. 375.56 Crore and Equity amount of Rs. 160.96 Crore for FY 2023-24. CSPTCL requested the Commission to approve the capital structure and means of finance including GFA addition for FY 2023-24 as shown in the Table below:

Table 6-13: Capital Structure for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24
A	**GROSS FIXED ASSETS (GFA)**		
1	Opening GFA	5,570.71	5947.91
2	Opening CWIP	589.21	552.75
3	Opening Capex	6,159.92	6500.66
4	Capitalisation during the Year	377.20	536.52
5	Closing GFA	5,947.91	6484.42
6	Closing CWIP	552.75	480.43
7	Closing Capex	6,500.66	6964.85
B	**GRANTS & CONSUMER CONTRIBUTION**		
1	Opening Grant and Contribution	109.54	109.54

Sr. No.	Particulars	FY 2022-23	FY 2023-24
2	Consumer Contribution/Grants during the Year	-	85.35
3	Closing Consumer Contribution	109.54	194.54
4	Consumer Contribution in Opening GFA	54.04	54.04
5	Consumer Contribution in Closing GFA	54.04	139.39
C	**LOAN BORROWED**		
1	Opening Borrowed Loan	3,047.20	3,149.97
2	Loan Borrowed during the Year	102.77	68.98
3	Closing Borrowed Loan	3,149.97	3,218.95
4	Borrowed Loan in Opening GFA	3,658.14	3,922.18
5	Borrowed Loan in Closing GFA	3,922.18	4237.99
D	**EQUITY**		
1	Opening Gross Equity	3,003.18	3,241.15
2	Equity addition during the Year	237.97	309.80
3	Closing Gross Equity	3,241.15	3551.01
4	Gross Equity in Opening GFA	1,858.53	1,971.69
5	Gross Equity in Closing GFA	1,971.69	2,107.04
6	Average Gross Equity during the year	1,915.11	2,039.36
E	**PERMISSIBLE EQUITY**		
1	Permissible Equity in Opening GFA	1,481.41	1,594.57
2	Permissible Equity in Closing GFA	1,594.57	1755.53
3	Average Gross Permissible Equity during the year	1,537.99	1675.05
F	**NORMATIVE LOAN**		
1	Opening Normative Loan	377.12	377.12
2	Closing Normative Loan	377.12	351.51
3	Average Normative Loan	377.12	364.32

Commission's View

In the previous Tariff Order, the Commission has approved the closing GFA as Rs. 5,947.91 Crore after true-up for FY 2022-23. The Commission has accordingly considered the same amount as opening GFA for FY 2022-23.

As regards GFA addition during the year, the Commission asked CSPTCL to submit scheme-wise details of asset addition for FY 2023-24 with respect to the scheme-wise capitalisation approved for FY 2023-24. In the reply, CSPTCL submitted accounting head-wise details for capitalisation for FY 2023-24.

The Commission also notes that CSPCTCL has submitted the revised Capital Structure for FY 2023-24 as part of the revised Petition, due to numerous inconsistencies observed in the original Petition. The Commission has considered the revised submission made by CSPTCL.

The Commission notes that audited accounts for FY 2023-24 indicate the capitalisation of Rs. 546.37 Crore, which includes capitalisation of Rs. 5.23 Crore by CSLDC during FY 2023-24. In response to the Commission's query, CSPTCL submitted that assets of Rs. 531.65 Crore were created on cash basis during FY 2023-24. Further, CSPTCL submitted that the liabilities of Rs. 37.88 Crore corresponding to 7% of the capitalised amount has been deducted from the accrual capitalisation of Rs. 541.14 Crore (excluding the capitalisation corresponding to SLDC). Furthermore, amount of Rs. 28.39 Crore considered as non-cash GFA addition in previous year has now been discharged. Therefore, a capitalisation of Rs. 531.65 Crore (Rs. 541.14 Crore – Rs. 37.88 Crore + Rs. 28.39 Crore) has been claimed for truing-up for FY 2023-24. However, CSPTCL has not submitted any documentary evidence for the discharge of non-cash expenditure of Rs. 28.39 Crore of FY 2022-23 in FY 2023-24, despite being asked to submit the same. Hence, the Commission has not considered the add back of previous year liabilities discharged amounting to Rs. 28.39 Crore. Accordingly, the Commission has approved the capitalisation of Rs. 503.26 Crore (Rs. 541.14 Crore – Rs. 37.88 Crore) in the true-up for FY 2023-24. CSPTCL is directed to ensure that the necessary documentary evidence for discharging the unpaid liabilities of the previous year should be submitted while claiming such GFA addition in the true-up for any year, in the absence of which, such GFA addition shall not be considered by the Commission.

The Commission has considered the funding of the capitalisation in the normative debt:equity ratio of 70:30, after deducting GFA funded through Grant or Consumer Contribution, in accordance with the MYT Regulations, 2021. The Commission thus, approves the GFA addition and its funding for FY 2023-24, as shown in the following Table:

Table 6-14: Approved GFA Addition and Means of Finance for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
1	GFA Addition	536.52	531.65	503.26
	Means of Finance			
2	Consumer Contribution	0.00	0.00	0.00
3	Equity	160.96	159.49	150.98
4	Debt	375.56	372.15	352.28
5	**Total Capitalisation**	**536.52**	**531.65**	**503.26**

6.7 Depreciation

CSPTCL's Submission

CSPTCL submitted that it has computed depreciation of Rs. 262.60 Crore for FY 2023-24, in accordance with Regulation 25 of the MYT Regulations, 2021 and the methodology considered by the Commission in the past. The detailed computation of depreciation for FY 2023-24 is shown in the Table below:

Table 6-15: Depreciation for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Particulars	Petition
Opening GFA excluding SLDC	5,947.91
Add: Additional capitalization during the year	536.52
GFA at the end of the year excluding SLDC	6484.42
Average GFA for the year	6216.17
Depreciation Rate	5.26%
Depreciation @ rates as per applicable Regulation	326.70
Opening consumer contribution	54.04
Addition: consumer contribution during the year	-
Closing consumer contribution	54.04
Average consumer contribution	54.04
Less: Depreciation on consumer contribution on live assets	2.84
Less: Depreciation on fully depreciated assets	61.26
Net Depreciation	**262.60**

CSPTCL requested the Commission to approve the same in the final true-up of ARR for FY 2023-24.

Commission's View

The Commission has approved the depreciation in accordance with the MYT Regulations, 2021 and approach adopted in the past Orders. The closing GFA for FY 2022-23 as approved in the true up for FY 2022-23, has been considered as the opening GFA for FY 2023-24. 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 MYT Regulations, 2021, has been considered for FY 2023-24. Depreciation on assets funded by Consumer Contribution and grants amounts to Rs. 2.84 Crore for FY 2023-24.

CSPTCL has submitted the depreciation on fully depreciated assets during the year as Rs. 61.26 Crore for FY 2023-24 and the same has been considered by the Commission.

The Commission also notes that CSPCTCL has submitted the revised Depreciation for FY 2023-24 as part of the revised Petition. This change is due to change in Capitalisation claimed for FY 2023-24 from Rs. 536.52 Crore in the original Petition to Rs. 531.65 Crore claimed in the revised Petition. The Commission has considered the revised submission made by CSPTCL.

The depreciation computed by the Commission for FY 2023-24 is shown in the following Table:

Table 6-16: Approved Depreciation for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Original Petition	Revised Petition	Approved
1	Opening GFA excluding CSLDC	5790.36	5,947.91	5,947.91	5,947.91
2	Add: Capitalization during the year	450.00	536.52	531.65	503.26
3	GFA at the end of the year excluding CSLDC	6240.36	6484.42	6479.56	6451.17
4	Average GFA for the year	6015.36	6216.17	6213.73	6199.54
5	Depreciation Rate	5.26%	5.26%	5.26%	5.26%
6	Depreciation @ applicable rates as per Regulations	316.30	326.70	326.57	325.83
7	Opening Consumer Contribution	-	54.04	54.04	54.04
8	Addition: Consumer Contribution during the year	-	-	-	-
9	Closing Consumer Contribution	-	54.04	54.04	54.04
10	Average Consumer Contribution	-	54.04	54.04	54.04
11	Less: Depreciation on Consumer Contribution and grants	2.84	2.84	2.84	2.84
12	Less: Depreciation on fully depreciated assets	25.03	61.26	61.26	61.26
13	**Net Depreciation**	**288.42**	**262.60**	**262.47**	**261.73**

6.8 Interest on Loan

CSPTCL's Submission

CSPTCL submitted that it has calculated interest and finance charges as per Regulation 24 of the MYT Regulations, 2021. CSPTCL submitted details of actual loan for FY 2023-24 as per the audited accounts. CSPTCL has considered the approved closing normative loan balance for FY 2022-23 as per the true-up Order, as the opening normative loan balance for FY 2023-24. The debt component of 70% of GFA addition after deduction of grants during FY 2023-24 has been considered as the normative loan addition during the year. The allowable depreciation for FY 2023-24 has been considered as the normative repayment for the current year. The rate of interest has been computed in accordance with Regulation 24.5 of the MYT Regulations, 2021. The actual weighted average interest rate of 9.32% for FY 2023-24 has been considered for computation of the interest on loan. The details of computation of interest rate for FY 2023-24 is shown in the Table below:

Table 6-17: Computation of Interest Rate for FY 2023-24 as submitted by CSPTCL

Sr. No	Particulars	Opening Loan	Addition	Repayment	Closing	Average	RoI	Interest
1	PFC	374.30		98.22	276.08	325.19	9.88%	32.11
2	REC	821.26		62.65	758.61	789.94	9.50%	75.01
3	SBI Loan	57.24		10.77	46.47	51.85	9.06%	4.70
4	BOM	128.45	31.34		159.79	144.12	7.86%	11.33
5	Indian Bank	30.20	37.64		67.84	49.02	7.40%	3.63
	Total	**1,411.45**	**68.98**	**171.64**	**1,308.79**	**1,360.12**	**9.32%**	**126.78**

The details of computation of interest on loan for FY 2023-24 are shown in the table below:

Table 6-18: Interest on Loan for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Total Opening Net Loan	1,800.19	1817.00
Repayment during the period	247.23	262.47
Additional Capitalization of Borrowed Loan during the year	264.04	375.56
Total Closing Net Loan	1,817.00	1929.96
Average Loan during the year	1,808.60	1873.48
Weighted Average Interest Rate	6.40%	9.32%
Bank Charges	1.84	0.31
Interest Expenses for the Period	**117.59**	**174.94**

Accordingly, CSPTCL requested the Commission to approve Interest on Loan of Rs. 174.94 Crore for FY 2023-24.

Commission's View

The Commission notes that CSPCTCL has submitted the revised Interest on Loan for FY 2023-24 as part of the revised Petition. This change is due to change in Capital Structure as submitted in the revised Petition. The Commission has considered the revised submission made by CSPTCL.

The Commission has approved interest on loan capital for FY 2023-24 as per Regulation 24 of the MYT Regulations, 2021.

The Commission has considered the closing net normative loan balance for FY 2022-23 as approved after True-up, as the opening net normative loan balance for FY 2023-24. The addition of normative loan for FY 2023-24 has been considered based on debt component of the capitalisation during the year, as approved earlier in this Chapter. The repayment has been considered equal to net depreciation approved for FY 2023-24 in this Order.

The Commission has considered the weighted average rate of interest of 9.32% for FY 2023-24, as submitted by CSPTCL. Accordingly, the normative interest on loan approved for FY 2023-24 is shown in the Table below:

Table 6-19: Approved Interest on Loan for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Original Petition	Revised Petition	Approved
1	Total Opening Net Loan	1677.50	1817.00	1817.00	1817.00
2	Repayment during the period	288.42	262.20	262.47	261.73
3	Additional Capitalization of Borrowed Loan during the year	315.00	375.56	372.15	352.28
4	Total Closing Net Loan	1704.08	1929.96	1926.68	1907.56
5	Average Loan during the year	1690.79	1873.48	1871.84	1862.28
6	Weighted Average Interest Rate	9.76%	9.32%	9.32%	9.32%
7	Bank Charges		0.31	0.31	0.31
8	**Interest Expenses**	**164.99**	**174.94**	**174.78**	**173.89**

6.9 Return on Equity (RoE) and Income Tax

CSPTCL's Submission

CSPTCL has computed Return on Equity (RoE) as per Regulation 23 of the MYT Regulations, 2021, using the base rate of Return on Equity of 14%. The Income Tax has been separately claimed based on actual Income Tax paid during the year. CSPTCL has claimed the Income Tax of Rs. 31.10 Crore for FY 2023-24 based on the Audited Accounts. CSPTCL has considered the closing permissible equity balance of FY 2022-23 as approved in the true-up Order, as the opening permissible equity balance for FY 2023-24. The equity addition has been considered as 30% of the actual capitalisation during the year. The details of computation of RoE for FY 2023-24 is shown in the Table below:

Table 6-20: Return on Equity for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Permissible Equity in Opening GFA	1,481.41	1594.57
Addition of permissible equity during the year	113.16	160.95
Permissible Equity in Closing GFA	1,594.57	1755.53
Average Gross Permissible Equity during the year	1,537.99	1675.05

Particulars	FY 2022-23	FY 2023-24
Rate of Return on Equity	14.00%	14.00%
Return on Equity	**215.32**	**234.51**

Accordingly, CSPTCL requested the Commission to approve RoE of Rs. 234.51 Crore for FY 2023-24.

Commission's View

The Commission notes that CSPCTCL has submitted the revised Return on Equity for FY 2023-24 as part of the revised Petition. This change is due to change in Capital Structure as submitted in revised Petition. The Commission has considered the revised submission made by CSPTCL.

Regulation 23 of the MYT Regulations, 2021 specifies that Income Tax shall be pass through on actual basis, subject to ceiling linked to permissible RoE. In the previous Tariff Orders, the Commission has allowed Income Tax paid separately, rather than grossing up the RoE. The Commission notes that CSPTCL has also requested for separate reimbursement of actual Income Tax paid. Accordingly, the Commission has approved RoE at base rate of 14% as per Regulation 23 of the MYT Regulations, 2021 and allowed the Income Tax separately.

For computation of RoE, the closing equity as approved after True-up for FY 2022-23 has been considered as opening equity for FY 2023-24. The equity addition has been considered based on the actual capitalisation as approved earlier in this Order. The Commission approves the RoE for FY 2023-24 as shown in the following Table:

Table 6-21: Approved Return on Equity for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Original Petition	Revised Petition	Approved
1	Permissible Equity in Opening GFA	1547.31	1594.57	1594.57	1594.57
2	Addition of Permissible Equity during the year	135.00	160.95	159.49	150.98
3	Permissible Equity in Closing GFA	1682.31	1755.53	1754.06	1745.55
4	Average Gross Permissible Equity during the year	1614.81	1675.05	1674.32	1670.06
5	Rate of Return on Equity	14.00%	14.00%	14.00%	14.00%
6	**Return on Equity**	**226.07**	**234.51**	**234.40**	**233.81**

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 2023-24. CSPTCL submitted the computation of Income Tax, Income Tax challans and other documentary evidence for FY 2023-24. It is observed that the net Income Tax liability for FY 2023-24 is Rs. 29.42 Crore after adjusting MAT credit of Rs. 73.67 Crore. Further, CSPTCL clarified that it has received Nil refund of Income Tax.

Accordingly, the Commission approves the Return on Equity of Rs. 233.81 Crore and actual Income Tax of Rs. 29.42 Crore in the true-up for FY 2023-24.

6.10 Interest on Working Capital

CSPTCL's Submission

For computation of Interest on Working Capital (IoWC) for FY 2023-24, CSPTCL has considered O&M expenses for fifteen days, maintenance spares at 20% of M&G expenses, and receivables equivalent to one month of revenue billed, for computing the working capital requirement. CSPTCL has considered the interest rate of 7.29% (average actual sanctioned rate of interest during the year) for FY 2023-24. The computation of IoWC for FY 2023-24 is shown in the Table below:

Table 6-22: Interest on Working Capital for FY 2023-24 as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
O&M for 15 days	14.36	16.36
Maintenance Spares – 20% of M&G Expenses	25.45	23.85
Receivables – 1 Month of Fixed Cost	84.27	148.79
Total WC requirement	124.08	189.00
Less: SD amount from Trans. Users	-	-
Net Working Capital Requirement	124.08	189.00
Rate of Interest on WC	7.29%	7.85%
Net Interest on Working Capital	**9.04**	**14.84**

Accordingly, CSPTCL requested the Commission to approve IoWC of Rs. 14.84 Crore for FY 2023-24.

Commission's View

The Commission has computed IoWC in accordance with Regulation 26 of the MYT Regulations, 2021. For computation of working capital requirement as per the formula specified in the MYT Regulations, 2021, the Commission has considered the revised normative value of O&M expenses as approved in this Order, as against CSPTCL's approach of considering actual M&G Expenses instead of normative M&G Expenses for computation of the O&M expenses for fifteen days. Further, the receivables have been considered for 45 days rather than 1 month as considered by CSPTCL, in accordance with the amendment to the MYT Regulations, 2021. Further, the receivables for 45 days have been considered based on the actual revenue billed by CSPTCL during FY 2023-24.

The Commission observed that CSPTCL in Para 5.42 of the original Petition has considered the interest rate as 7.29%, however, in Table 18, CSPTCL has considered the rate of interest on Working Capital of 7.85%. In response to the Commission's query regarding the same, CSPTCL submitted that it has inadvertently considered the incorrect values, and the revised actual interest rate is 8.59%. The Commission also notes that CSPTCL has revised the Interest on Working Capital claimed for FY 2023-24 to Rs. 11.99 Crore, as presented in Table 21 of the revised Petition. The Commission has considered CSPTCL's revised submission.

Further, the Commission notes that CSPTCL in response to the data gaps submitted the documentary evidence of actual rate of interest on Working Capital for FY 2023-24. However, the Commission observes that CSPTCL has claimed rate of interest of 8.45% towards working capital sanctioned by IDBI Bank when the actual rate is 8.30%. Accordingly, the Commission has recomputed the interest rate as 8.53% (average actual sanctioned rate of interest during the year) for FY 2023-24. The computation of rate of interest on Working Capital (%) is shown in the Table below:

Table 6-23: Approved Rate of Interest on Working Capital

Sr. No.	Bank Details	Amount of WC Drawn	Rate of Interest (%)	Interest (Rs. Crore)	Weighted Avg. Rate of Interest (%)
1	IDBI WC	100.00	8.30%	8.30	
2	ICICI WC	30.00	8.90%	2.67	
3	SBI WC	130.00	8.63%	11.22	
		260.00		**22.19**	**8.53%**

The normative IoWC approved by the Commission is shown in the Table below:

Table 6-24: Approved Interest on Working Capital for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Original Petition	Revised Petition	Approved
1	O&M expenses for fifteen days	15.37	16.36	16.29	16.31
2	Maintenance Spares @ 20% of M&G Expenses	21.90	23.85	24.10	24.62
3	Receivables @ 45 Days	96.30	148.79	99.19	148.38
4	**Total Working Capital requirement**	**133.57**	**189.00**	**139.59**	**189.32**
5	Rate of Interest on Working Capital	9.00%	7.85%	8.59%	8.53%
6	**Interest on Working Capital**	**12.02**	**14.84**	**11.99**	**16.16**

6.11 Non-Tariff Income

CSPTCL's Submission

CSPTCL submitted the Non-Tariff Income of Rs. 45.48 Crore for FY 2023-24 based on audited accounts and requested the Commission to approve the same.

Commission's View

For the purpose of true-up for FY 2023-24, the Commission has considered the Non-Tariff Income for Transmission Business as per Audited Accounts for FY 2023-24.

The Commission notes that CSPTCL has not considered revenue from sale of scrap amounting to Rs. 13.97 Crore, under Non-Tariff Income. In response to the query regarding this omission, CSPTCL submitted that under cost-plus tariff mechanism, the depreciation on assets is allowable up to 90% of their cost, with the remaining 10% being salvage value. This salvage value is to be recovered by CSPTCL only after the useful life of the asset. Therefore, CSPTCL has not considered the revenue from sale of scrap under Non-Tariff Income. However, the proceeds from sale of scrap amounting to Rs. 13.97 Crore as reported in Note 21 of the Audited Accounts, represent the amount realized after accounting for the salvage value. Therefore, the Commission has included Rs. 13.97 Crore towards net proceeds from sale of scrap under Non-Tariff Income.

Accordingly, the Commission has approved Non-Tariff Income of Rs. 59.46 Crore for FY 2023-24, as shown in the Table below:

Table 6-25: Approved Non-Tariff Income for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Non-Tariff Income	31.19	45.48	59.46

6.12 Aggregate Revenue Requirement (ARR)

Based on the above, the ARR approved after true-up for FY 2023-24 is shown in the Table below:

Table 6-26: Approved ARR after true-up for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Original Petition	Revised Submission	Approved
A	**O&M Expenses**	**495.29**	**524.50**	**522.86**	**522.86**
1	Employee Expenses	259.37	283.50	283.50	283.50
2	A&G Expenses	52.32	59.20	59.20	59.20
3	R&M Expenses	57.20	64.76	63.12	63.12
4	Terminal Benefits	126.40	126.40	126.40	126.40
5	Less: Capitalization of Employee and A&G Expenses		9.36	9.36	9.36
B	**Interest and Finance Charges**	**177.01**	**189.78**	**186.77**	**190.05**
1	Interest on Loan	164.99	174.94	174.78	173.89
2	Interest on Working capital	12.02	14.84	11.99	16.16
C	**Other Expenses**	**514.49**	**497.11**	**496.87**	**495.54**
1	Depreciation	288.42	262.60	262.47	261.73
2	Return on Equity	226.07	234.51	234.40	233.81
D	Gain/(Loss) on sharing O&M efficiency		(2.66)	(0.71)	0.51
E	Income Tax		31.10	31.10	29.42

Sr. No.	Particulars	Tariff Order	Original Petition	Revised Submission	Approved
F	Total	**1,186.80**	**1239.84**	**1,236.91**	**1,238.39**
G	Less: Non-Tariff Income	31.19	45.48	45.48	59.46
H	**Aggregate Revenue Requirement (ARR)**	**1,155.61**	**1,194.36**	**1,191.43**	**1,178.93**

6.13 Revenue Gap/(Surplus) for FY 2023-24

CSPTCL's Submission

CSPTCL submitted the Revenue Gap/(Surplus) for FY 2023-24, as shown in the following Table:

Table 6-27: Revenue Gap/(Surplus) submitted by CSPTCL for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24
1	Revenue from Transmission charges for FY 2023-24	1,206.85
2	Deficit/(Surplus) adjusted with carrying cost up to FY 2023-24 as approved in Tariff Order dated 28.03.2023	51.24
3	**Adjusted Revenue for FY 2023-24**	**1,155.61**
4	**ARR determined based on True-up for FY 2023-24**	**1,194.36**
5	**Revenue Gap/(Surplus)**	**38.75**

CSPTCL requested the Commission to approve the Revenue Gap of Rs. 38.75 Crore for FY 2023-24.

Commission's View

The Commission noted that CSPTCL has revised the Revenue Gap of FY 2023-24 from Rs. 38.75 Crore to Rs. 35.82 Crore in the Errata and Corrigendum listing based on the revised ARR submitted as part of the revised Petition.

The Commission has computed the Revenue Gap/(Surplus) after true-up for FY 2023-24 for CSPTCL, as shown in the Table below:

Table 6-28: Approved Revenue Gap/(Surplus) for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Approved
1	Revenue from Transmission Charges for FY 2023-24	1,206.85
2	Deficit/(Surplus) adjusted with carrying cost up to FY 2023-24 as approved in tariff order dated 28.03.2023	51.24
3	**Adjusted Revenue for FY 2023-24**	**1,155.61**
4	ARR determined based on Final True-up for FY 2023-24z	1,178.93
5	**Revenue Gap/(Surplus)**	**23.32**

The Commission approves the Revenue Gap of Rs. 23.32 Crore after true-up for CSPTCL for FY 2023-24.

7 TRUE-UP OF ARR FOR FY 2023-24 FOR CSLDC

7.1 Background

The Commission notified the CSERC MYT Regulations, 2021 for the 4th MYT Control Period from FY 2022-23 to FY 2024-25 on November 14, 2021. The Commission issued the last Tariff Order dated 1 June 2024 on true up of ARR for FY 2022-23 based on the audited accounts for FY 2022-23 and Determination of SLDC Charges for FY 2024-25. The Commission has determined the ARR and Tariff for FY 2023-24 in the MYT Order dated 13 April 2022 and the final true up of ARR for FY 2023-24 had been carried out by comparing actual performance with the values as approved in the MYT Order dated April 13, 2022.

Based on the audited accounts of FY 2023-24, CSLDC has submitted the Petition for final true-up of ARR for FY 2023-24. Upon detailed scrutiny of the Petition filed by CSLDC, the Commission observed several discrepancies and inconsistencies in the Petition submitted by CSLDC. Accordingly, the Commission directed CSLDC to submit a comprehensive *Errata and Corrigendum*, clearly outlining all identified errors along with the corresponding corrections. In compliance with this directive, CSLDC submitted a revised version of the Petition along with a detailed *Errata and Corrigendum*, which the Commission has duly considered.

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

> *"10.4. The scope of the truing up shall consist of comparison of the performance of the generating company or STU/ transmission licensee or distribution licensee or SLDC with the approved forecast and shall include following:*
>
> *(d) A comparison of the audited performance of the applicant for the previous financial year(s) with the approved forecast for such previous financial year(s), subject to the prudence check including pass-through of impact of uncontrollable factors;*
>
> *(e) Review of compliance to directives issued by the Commission from time to time;*
>
> *(f) Any other relevant details."*

In accordance with the above Regulation, in the present Order, the Commission has undertaken the true-up of FY 2023-24 for CSLDC based on Audited Accounts and Segmental Notes as submitted by CSLDC.

In this Chapter, the Commission has analysed all the elements of actual expenditure and revenue of CSLDC for FY 2023-24 and undertaken the final true-up of expenses and revenue in accordance with Regulation 10 of the MYT Regulations, 2021. The Commission has approved the sharing of gains and losses on account of controllable factors between CSLDC and its beneficiaries, in accordance with Regulation 13 of the MYT Regulations, 2021.

7.2 Annual Charges for SLDC

Regulation 101.1 of the MYT Regulations, 2021 specifies the components of Annual Charges for SLDC as under:

(a) Return on equity;

(b) Interest on loan capital;

(c) Depreciation;

(d) O&M expenses:

  a) HR expenses

    (i) Employee expenses;

    (ii) Impact of Pay revision;

    (iii) Manpower deployed on outsourcing basis;

  b) M&G expenses;

(e) Pension & Gratuity fund contribution; and

(f) Interest on working capital.

7.3 Operation and Maintenance (O&M) expenses

CSLDC's Submission

CSLDC has claimed O&M expenses in accordance with Regulation 101.5 of the MYT Regulations, 2021. CSLDC submitted that O&M Expenses includes Employee expenses and Maintenance & General (M&G) expenses. CSLDC has considered O&M expenses for FY 2023-24, as shown in the Table below:

Table 7-1: O&M Expenses for FY 2023-24 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2023-24
1	Gross Employee Expenses excluding terminal benefits	11.20
2	Gross A&G Expenses	0.88
3	Gross R&M Expenses	1.64
4	**Total O&M Expenses**	**13.72**

Also, CSLDC submitted the details of sanctioned employee strength, current employee strength, and vacant positions for different class of employees, as on March 31, 2024. The total sanctioned strength of different class of employees of CSLDC is 76 out of which 50 are currently working and balance 26 are envisaged to be filled in the coming FYs, as shown in the Table below:

Table 7-2: Employee strength of CSLDC as on 31st March 2024 (Nos)

Sr. No.	Particulars	Sanctioned	Working	Vacant
1	Class I	20	18	2
2	Class II	24	16	8
3	Class III	24	14	10
4	Class IV	8	2	6

Sr. No.	Particulars	Sanctioned	Working	Vacant
5	**Total**	**76**	**50**	**26**

CSLDC requested to approve actual O&M Expenses of Rs. 13.72 Crore for FY 2023-24.

Sharing of gain and losses on account of O&M Expenses

For computation of gain and losses, CSLDC has considered the provisions of Regulations 8, 11.2 and 13 of the MYT Regulations, 2021.

As per the MYT Regulations, 2021, the Employee expenses have been considered based on actuals and have not been subjected to sharing of gains or losses. A&G expenses and R&M expenses have been subjected to sharing of gains/losses after considering the revised normative expenses as per Regulation 101.5 of the MYT Regulations, 2021.

CSLSDC submitted that the MYT Regulations, 2021, allows incentive/disincentive for better/under performance in operational norms so that such efforts are appropriately recognized and promoted, thereby, ensuring improved efficiency on a sustainable basis.

The Commission's approach for arriving at the normative A&G expenses and R&M expenses has been adopted. The normative A&G expenses and R&M expenses for FY 2023-24 as approved in the final true-up of ARR for FY 2022-23 have been considered to arrive at the normative A&G expenses and R&M expenses for FY 2023-24.

CSLDC submitted the sharing of gains/(loss) of Rs. 0.04 Crore on account of variation in actual A&G expenses and R&M expenses vis-à-vis normative expenses in the true-up of ARR for FY 2023-24.

Additional O&M Expenses

CSLDC submitted that as per Regulation 101.5.2 of the MYT Regulations, 2021, claim for additional normative A&G expenses and R&M expenses on account of addition to GFA during FY 2023-24 has been made.

Accordingly, CSLDC has computed additional normative A&G and R&M expenses for FY 2023-24, as shown in the following Table:

Table 7-3: Additional Normative O&M Expenses as submitted by CSLDC for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Formula	Amount
1	Average of opening and closing GFA for previous FY 2022-23	A	16.89
2	Average of opening and closing GFA for current FY 2023-24	B	19.80
3	Increase in GFA (%)	C= (B-A)/A*100	17.18%
4	Normative A&G Expenses arrived at for FY 2023-24	D	0.85

Sr. No.	Particulars	Formula	Amount
5	Normative R&M Expenses arrived at for FY 2023-24	E	1.41
6	**Additional A&G Expenses on account of increase in GFA**	F = D * C	0.15
7	**Additional R&M Expenses on account of increase in GFA**	G = E * C	0.24

CSLDC submitted the revised normative A&G Expenses and R&M Expenses for FY 2023-24 after adding Additional Normative expenses to base normative expenses, as shown in the Table below:

Table 7-4: Revised Normative A&G Expenses and R&M Expenses as submitted by CSLDC for FY 2023-24 (Rs. Crore)

Particulars	Amount
Normative A&G Expenses	
Base Normative A&G Expenses	0.85
Additional A&G Expenses	0.15
Total Normative A&G Expenses	**1.00**
Normative R&M Expenses	
Base Normative R&M Expenses	1.41
Additional R&M Expenses	0.24
Total Normative R&M Expenses	**1.65**

CSLDC submitted that normative A&G expenses and R&M expenses computed above, and actual A&G expenses and R&M expenses have been considered for computation of gain/(loss). CSLDC submitted the sharing of gain/(loss) for FY 2023-24, as shown in the following Table:

Table 7-5: Sharing of gain/(loss) on A&G Expenses and R&M expenses as submitted by CSLDC for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/(Loss)
A	Net A&G expenses	1.00	0.88	0.12
B	Net R&M expenses	1.65	1.64	0.01
C	**Total**	**2.65**	**2.52**	**0.13**
D	**CSLDC share (1/3 of Total Gain)**			**0.04**

Commission's View

Regulation 101.5 of the MYT Regulations, 2021 specifies the basis for computation of normative O&M expenses and the method of sharing the efficiency gains/losses vis-à-vis actual O&M expenses, as reproduced in the earlier Chapter.

The above Regulations specify that at the time of truing up, the O&M Expenses shall be considered after considering the actual inflation instead of projected inflation for that period.

However, it is observed that CSLDC, when calculating normative A&G Expenses and R&M Expenses in the true-up for FY 2023-24, has considered an escalation factor equal to the average inflation rate of the past five years instead of the actual inflation rate for the current year. In response to the Commission's query in this regard, CSLDC submitted that the actual increase in WPI for FY 2023-24 has been negative, which does not represent the actual increase in expenses. Hence, CSLDC has considered average increase in WPI in last five years to compute the normative expenses.

The Commission acknowledges that the actual increase in WPI for FY 2023-24 was negative. In line with the MYT Regulations, 2021, the applicable escalation factor for calculating R&M expenses works out to -0.74% (100% WPI). It may be noted that growth in escalation indices is always computed with reference to the index in the previous period, and as the WPI for FY 2023-24 has reduced, the escalation index in FY 2024-25 will be correspondingly higher, which will be allowed at actuals in the true-up for FY 2024-25. Hence, applying a different escalation index merely because the same works out to be negative for a particular year, as proposed by CSLDC, is not appropriate. At the same time, considering a negative escalation rate will also not be appropriate. Therefore, the Commission has considered 0% escalation factor for computing revised normative R&M Expenses for FY 2023-24, as else, the normative R&M expenses for FY 2023-24 would work out to be lower than the normative R&M expenses for FY 2022-23.

Accordingly, the Commission has considered an escalation factor of 2.82% (40% weightage of WPI and 60% weightage of CPI) for calculating A&G expenses and an escalation factor of 0 % (100% WPI) for calculating R&M expenses for FY 2023-24. The base-year's O&M Expenses value is considered as approved in the final true-up for FY 2022-23 in the Order dated 01.06.2024.

Further, Regulation 101.5.2 of the MYT Regulations, 2021, provides for consideration of additional O&M expenses on account of addition to GFA. The Commission has computed the additional O&M expenses by considering approved GFA with the base O&M expenses allowed for the previous year and in the same proportion for corresponding increase in GFA. The additional normative A&G expenses and R&M expenses on account of addition to GFA in FY 2023-24 are computed as shown in the Table below:

Table 7-6: Computation of Additional A&G expenses and R&M expenses for FY 2023-24, as approved by the Commission (Rs. Crore)

Particulars	Legend/Formula	FY 2023-24
Average of Opening and Closing GFA for previous FY	A	16.90
Average of Opening and Closing GFA for current FY	B	19.80
Increase in GFA (%)	C=(B-A)/Ax100	17.14%
Normative A&G Expenses approved in this Order	D	0.86

Particulars	Legend/Formula	FY 2023-24
Normative R&M Expenses approved in this Order	E	1.42
Additional A&G Expenses on account of increase in GFA for FY 2023-24	**F=D x C**	0.15
Additional R&M Expenses on account of increase in GFA for FY 2023-24	**G = E x C**	0.24

For the purpose of true-up for FY 2023-24, the Commission approves the normative A&G Expenses and R&M Expenses including additional A&G expenses and R&M expenses on account of addition to GFA, as shown in the following Table:

Table 7-7: Approved Normative A&G Expenses and R&M Expenses for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Petition	Revised Normative Expenses
A&G Expenses	0.84	1.00	1.01
R&M Expenses	1.37	1.65	1.66
Total	**2.21**	**2.65**	**2.68**

The Commission has considered actual O&M expenses for FY 2023-24 as per audited accounts and Segmental Notes, as submitted by CSLDC. Accordingly, the Commission approves actual O&M Expenses of Rs. 13.72 Crore for FY 2023-24, as shown in the Table below:

Table 7-8: Approved Actual O&M Expenses for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Employee Expenses	11.20	11.20
2	A&G Expenses (Net of Capitalization)	0.88	0.88
3	R&M Expenses (Net of Capitalization)	1.64	1.64
4	**Net O&M Expenses**	**13.72**	**13.72**

The Commission has undertaken sharing of gains and losses of normative expenses vis-à-vis actual expenses for FY 2023-24, as per MYT Regulations, 2021.

In accordance with the MYT Regulations, 2021, the Commission approves the Employee Expenses at actuals as Rs. 11.20 Crore for FY 2023-24.

As CSPTCL and CSLDC do not have separate accounts, the entire capitalization of O&M expenses has been considered against CSPTCL. The Commission has considered the actual A&G expenses and R&M expenses for sharing of gains and losses for FY 2023-24, as shown in the Table below:

Table 7-9: Sharing of gain/(loss) on A&G expenses and R&M expenses for FY 2023-24 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Normative	Actual	Gain/(Loss)
1	Net A&G expenses	1.01	0.88	0.13
2	Net R&M expenses	1.66	1.64	0.02
3	**Total Gain/(Loss)**	2.68	2.52	0.15
4	**CSLDC share (1/3 of Total Gain)**			0.05

In this Order, the Commission has approved the O&M expenses based on audited accounts for FY 2023-24. Further, the Commission has approved the sharing of gain of Rs. 0.05 Crore for FY 2023-24.

7.4 Contribution to Pension and Gratuity Fund

CSLDC's Submission

CSLDC submitted that the Commission, in the Tariff Order dated April 13, 2022, had allowed Contribution to Pension and Gratuity (P&G) fund of Rs. 3.11 Crore for FY 2023-24. 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. 3.11 Crore for FY 2023-24 as claimed by CSLDC, as shown in the following Table:

Table 7-10: Contribution to P&G Fund for FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	Tariff Order	Petition	Approved
Contribution to P&G Fund	3.11	3.11	3.11

7.5 Gross Fixed Assets

CSLDC's Submission

CSLDC submitted that the Commission in the MYT Order approved the methodology for determination of capital structure of GFA into debt and equity. CSLDC has considered GFA addition of Rs. 4.93 Crore on cash basis for FY 2023-24 as per Audited Accounts, as shown in the Table below:

Table 7-11: GFA for FY 2023-24 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2023-24
A	**Gross Fixed Assets (GFA)**	
1	Opening GFA	17.33

Sr. No.	Particulars	FY 2023-24
2	**Add: Capitalization During the Year**	**4.93**
3	Closing GFA	22.26
4	Average of Opening and Closing GFA	19.80

Commission's View

The Commission has approved the closing GFA for FY 2022-23 as Rs. 17.33 Crore after True-up in the Order dated June 01, 2024. The Commission has accordingly considered the same amount as Opening GFA for FY 2023-24. As discussed in earlier Chapter of this Order, the Commission notes that CSPTCL's audited accounts for FY 2023-24 reported the actual capitalisation of Rs. 503.26 Crore during the year, attributable to CSPTCL. For CSLDC, capitalisation in FY 2023-24 is Rs. 4.93 Crore, and the Commission has considered the same for FY 2023-24. Accordingly, the Commission approves the GFA and its funding for FY 2023-24 as shown in the following Table:

Table 7-12: Gross Fixed Assets and its Funding for FY 2023-24 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA	23.63	17.33	17.33
2	Capitalisation during the Year	3.25	4.93	4.93
3	Closing GFA	26.88	22.26	22.26
	Means of Finance			
4	Consumer Contribution/Grants	-	-	-
5	Equity	0.93	1.48	1.48
6	Debt	2.28	3.45	3.45
7	**Total Capitalisation**	**3.25**	**4.93**	**4.93**

7.6 Depreciation

CSLDC's Submission

CSLDC submitted that it has computed depreciation as per Regulation 25 of the MYT Regulations, 2021. The asset base of CSLDC comprises SCADA system, computer terminals, equipment, building, etc. The asset base has been identified from the accounts of CSLDC 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 2023-24 has been considered for CSLDC. CSLDC requested the Commission to approve depreciation of Rs. 1.04 Crore for FY 2023-24 as shown in the Table below:

Table 7-13: Depreciation for FY 2023-24 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2023-24
1	Opening GFA	17.33
2	Capitalization During the Year	4.93
3	Closing GFA	22.26
4	Average of Opening and Closing GFA	19.80
5	Rate of Depreciation	5.26%
6	**Net Depreciation**	**1.04**

Commission's View

The Commission has approved the depreciation for FY 2023-24 in accordance with the MYT Regulations, 2021 and the approach adopted in the past Orders. The closing GFA approved in the true up for FY 2022-23 has been considered as the opening GFA for FY 2023-24. The GFA addition for FY 2023-24 has been considered as approved in earlier Section of this Chapter. The weighted average depreciation rate of 5.26%, computed for CSPTCL on the basis of deprecation rates provided in the MYT Regulations, 2021, has been considered for FY 2023-24 for CSLDC. The depreciation approved by the Commission for FY 2023-24 is shown in the Table below:

Table 7-14: Depreciation for FY 2023-24 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Opening GFA	23.63	17.33	17.33
2	Additional capitalization during the year	3.25	4.93	4.93
3	GFA at the end of the year	26.88	22.26	22.26
4	Average GFA for the year	25.26	19.80	19.80
5	Depreciation Rate	5.26%	5.26%	5.26%
6	**Net Depreciation**	**1.33**	**1.04**	**1.04**

7.7 Interest on Loan

CSLDC's Submission

CSLDC has calculated Interest and Finance Charges as per Regulation 24 of the MYT Regulations, 2021. CSLDC is not operating as a separate Company and, therefore, the actual loan as applicable to CSPTCL has been considered. CSLDC has considered the approved closing normative loan balance for FY 2022-23 as per the true-up Order, as the opening normative loan balance for FY 2023-24. 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 actual weighted average interest rate of 9.32% for FY 2023-24 has been considered by CSLDC for computation of the interest on loan. CSLDC requested the Commission to approve the Interest and Finance Charges of Rs. 0.16 Crore for FY 2023-24, as shown in the Table below:

Table 7-15: Interest on Loan for FY 2023-24 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2023-24
1	Total Opening Net Loan	0.53
2	Repayment during the period	1.04
3	Additional Capitalization of Borrowed Loan during the year	3.45
4	Total Closing Net Loan	2.94
5	Average Loan during the year	1.73
6	Weighted Average Interest Rate	9.32%
7	**Interest on Loan**	**0.16**

Commission's View

The Commission has approved interest on loan capital for FY 2023-24 as per Regulation 24 of the MYT Regulations, 2021. The Commission has considered the closing net normative loan balance for FY 2022-23, as approved after True-up, as the opening net normative loan balance for FY 2023-24. The addition of normative loan has been considered based on debt component towards additional capitalisation, as considered earlier in this Chapter. The repayment has been considered equal to depreciation approved by the Commission in this Order.

Regulation 24.5 of the MYT Regulations, 2021 provides for the rate of interest based on actual loan portfolio at the beginning of the year. For computation of weighted average rate of interest, the Commission has considered the applicable rate of interest on the outstanding loan portfolio of CSPTCL at the beginning of the financial year as per the audited accounts of FY 2023-24, in absence of segregation of actual loan for CSLDC. Accordingly, the Commission has considered the weighted average rate of interest of 9.32% for FY 2023-24. The interest on loan approved for FY 2023-24 is shown in the Table below:

Table 7-16: Interest on Loan for FY 2023-24 for CSLDC approved by Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Total Opening Net Loan	4.67	0.53	0.53
2	Repayment during the period	2.28	1.04	1.04
3	Additional Capitalization of Borrowed Loan during the year	1.33	3.45	3.45
4	Total Closing Net Loan	5.62	2.94	2.94
5	Average Loan during the year	5.15	1.73	1.73
6	Weighted Average Interest Rate	9.76%	9.32%	9.32%
7	**Interest Expenses**	**0.50**	**0.16**	**0.16**

7.8 Return on Equity (RoE) and Income Tax

CSLDC's Submission

CSLDC has computed RoE as per the Regulation 23 of the MYT Regulations, 2021. The closing permissible equity balance of FY 2022-23, as approved in the true-up Order has been considered as opening equity balance for true-up of FY 2023-24. CSLDC has considered base rate of RoE of 14.00% (without grossing up by MAT rate). CSLDC requested the Commission to approve RoE of Rs. 0.88 Crore for FY 2023-24. CSLDC further submitted that it has not paid any income tax during FY 2023-24 and accordingly NIL Income Tax has been considered for the year.

Table 7-17: Return on Equity for FY 2023-24 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2023-24
1	Opening Normative Equity	5.57
2	Normative Addition During the Year	1.48
3	Closing Normative Equity	7.05
4	**Average Normative Equity**	**6.31**
5	Rate of Return on Equity	14.00%
6	**Return on Equity for the Year**	**0.88**

Commission's View

Regulation 23 of the MYT Regulations, 2021 provides that RoE shall be computed at the rate of 14.0% for SLDC. The Commission notes that CSLDC has not paid any Income Tax separately, hence, rate of return of RoE has not been grossed up with the prevailing MAT rate. Accordingly, the Commission has approved RoE at the rate of 14.0% as per Regulation 23 of the MYT Regulations, 2021.

For computation of RoE, the Commission has considered the closing equity as approved for FY 2022-23 after True-up, as opening equity for FY 2023-24. The equity addition for FY 2023-24 has been considered as 30% of the capitalisation during the year. The Commission approves the RoE for FY 2023-24 as shown in the Table below:

Table 7-18: Return on Equity for FY 2023-24 for CSLDC as approved by Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	Permissible Equity in Opening GFA	7.46	5.57	5.57
2	Addition of Permissible Equity during the year	0.98	1.48	1.48
3	Permissible Equity in Closing GFA	8.43	7.05	7.04
4	Average Gross Permissible Equity during the year	7.94	6.31	6.30

Sr. No.	Particulars	Tariff Order	Petition	Approved
5	Rate of Return on Equity	14.00%	14.00%	14.00%
6	**Return on Equity**	**1.11**	**0.88**	**0.88**

7.9 Interest on Working Capital (IoWC)

CSLDC's Submission

CSLDC has considered normative IoWC as per Regulation 26 of the MYT Regulations, 2021. CSLDC submitted that it has considered 15 days of O&M expenses, maintenance spares at 20% of M&G expenses, and receivables equivalent to one month of revenue billed for computing the working capital requirement for FY 2023-24. CSLDC has considered the interest rate of 8.59% (average actual sanctioned rate of interest during the year) for computing the IoWC for FY 2023-24. CSLDC requested the Commission to approve IoWC of Rs. 0.21 Crore for FY 2023-24, as shown in the Table below:

Table 7-19: Interest on Working Capital for FY 2023-24 (Rs. Crore)

Particulars	FY 2023-24
O&M for 15 days	0.56
Maintenance Spares – 20% of M&G Expenses	0.45
Receivables – 1 Month of Fixed Cost	1.42
Total WC requirement	2.43
Rate of Interest on WC	8.59%
Net Interest on Working Capital	**0.21**

Commission's View

The Commission has computed IoWC in accordance with Regulation 26 of the MYT Regulations, 2021. It has been observed that CSLDC has considered actual M&G expenses for calculation of fifteen days O&M expenses instead of normative M&G expenses. For computation of working capital requirement as per the formula specified in the MYT Regulations, 2021, the Commission has considered the revised normative value of M&G expenses for FY 2023-24, as approved earlier in this Order. Further, the receivables have been considered for 45 days rather than 1 month as considered by CSLDC, in accordance with the amendment to the MYT Regulations, 2021. The receivables for 45 days have been considered based on the revenue from SLDC charges for FY 2023-24.

Further, the Commission notes that CSLDC in response to the data gaps submitted the documentary evidence of actual rate of interest on Working Capital for FY 2023-24. However, the Commission observes that CSLDC has claimed rate of interest of

8.45% towards WC claimed from IDBI bank when the actual rate is 8.30%. Accordingly, the Commission has recomputed the interest rate as 8.53% (average actual sanctioned rate of interest during the year) for FY 2023-24. The computation of rate of interest on Working Capital (%) is shown in the Table below:

Table 7-20: Approved Rate of Interest on Working Capital

Sr. No.	Bank Details	Amount of WC Drawn	Rate of Interest (%)	Interest (Rs. Crore)	Weighted Avg. Rate of Interest (%)
1	IDBI WC	100.00	8.30%	8.30	
2	ICICI WC	30.00	8.90%	2.67	
3	SBI WC	130.00	8.63%	11.22	
		260.00		**22.19**	**8.53%**

. The normative IoWC approved for FY 2023-24 is shown in the Table below:

Table 7-21: IoWC approved for FY 2023-24 for CSLDC by the Commission (Rs. Crore)

Sr. No.	Particulars	Tariff Order	Petition	Approved
1	O&M expenses for 15 days	0.55	0.56	0.57
2	Maintenance Spares @ 20% of M&G Expenses	0.44	0.45	0.54
3	Receivables @ 45 Days	1.63	1.42	2.09
4	Total Working Capital requirement	2.62	2.43	3.19
5	Rate of Interest on WC	9.00%	8.59%	8.53%
6	**Net Interest on Working Capital**	**0.24**	**0.21**	**0.27**

7.10 Non-Tariff Income

CSLDC's Submission

CSLDC submitted that it has considered Non-Tariff Income (NTI) as Rs. 0.48 Crore for FY 2023-24 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 2023-24. Accordingly, the Commission considers NTI of Rs. 0.48 Crore for FY 2023-24, as shown in the Table below:

Table 7-22: Non-Tariff Income approved for FY 2023-24 for CSLDC by the Commission (Rs. Crore)

Sr. No	Particulars	Tariff Order	Petition	Approved
1	Non-Tariff Income	0.02	0.48	0.48

7.11 Aggregate Revenue Requirement for CSLDC

Based on the above, the ARR approved for CSLDC after final truing-up for FY 2023-24 is shown in the Table below:

Table 7-23: Aggregate Revenue Requirement (ARR) for FY 2023-24 approved by the Commission (Rs. Crore)

Sr. No	Particulars	Tariff Order	Petition	Approved after True-up
A	**O&M Expenses**	**16.39**	**16.83**	**16.83**
1	Employee Expense	11.07	11.20	11.20
2	A&G Expenses	0.84	0.88	0.88
3	R&M Expenses	1.37	1.64	1.64
4	Terminal Benefits	3.11	3.11	3.11
B	**Interest and Finance Charges**	**0.74**	**0.37**	**0.43**
1	Interest on Loan	0.50	0.16	0.16
2	Interest on Working Capital	0.24	0.21	0.27
C	**Other Expenses**	**2.44**	**1.92**	**1.92**
1	Depreciation	1.33	1.04	1.04
2	Return on Equity	1.11	0.88	0.88
D	Gain/(Loss) on sharing O&M Expenses	-	0.04	0.05
E	**Total**	**19.57**	**19.17**	**19.24**
F	Less: Non-Tariff Income	0.02	0.48	0.48
G	**Aggregate Revenue Requirement (ARR)**	**19.55**	**18.68**	**18.76**

7.12 Revenue from CSLDC Charges

CSLDC's Submission

CSLDC submitted the revenue from CSLDC Charges of Rs. 17 Crore for FY 2023-24 based on the audited accounts.

Commission's View

The Commission has considered the actual revenue from CSLDC Charges of Rs. 17 Crore in the true-up for FY 2023-24.

7.13 Revenue Gap/(Surplus) for CSLDC

CSLDC's Submission

CSLDC submitted the Revenue Gap/(Surplus) for FY 2023-24, as shown in the Table below:

Table 7-24: Revenue Gap/(Surplus) for FY 2023-24 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement	18.68
2	Less: Revenue from SLDC Charges	17.00
3	Previous (Surplus)/Deficit adjusted with carrying cost up to FY 2023-24 as approved in Tariff Order	(2.55)
4	Total Revenue for FY 2023-24	19.55
5	**Revenue Gap/(Surplus)**	**(0.87)**

CSLDC requested the Commission to approve the surplus of Rs. 0.87 Crore for FY 2023-24 and adjust Rs. 1.04 Crore (with holding cost) in the ARR of FY 2025-26.

Commission's View

After undertaking the final true-up for FY 2022-23, the Commission has computed the Revenue Gap/(Surplus) for FY 2023-24, as shown in the following Table:

Table 7-25: Revenue Gap/(Surplus) for FY 2023-24 for CSLDC as approved by the Commission (Rs. Crore)

Sr. No	Particulars	Petition	Approved
1	Aggregate Revenue Requirement	18.68	18.76
2	Less: Revenue from SLDC Charges	17.00	17.00
3	Previous (Surplus)/Deficit adjusted with carrying cost up to FY 2023-24 as approved in Tariff Order	(2.55)	(2.55)
4	Total Revenue for FY 2023-24	19.55	19.55
5	**Revenue Gap/(Surplus)**	**(0.87)**	**(0.79)**

The Commission approves the Revenue Surplus of Rs. 0.79 Crore after true-up for CSLDC for FY 2023-24, as against the Revenue Surplus of Rs. 0.87 Crore computed by CSLDC.

8 TRUE-UP OF FY 2023-24 FOR CSPDCL

8.1 Background

CSPDCL has filed the Petition for final True-up of FY 2023-24 based on the Audited Accounts in accordance with Regulations 10.2, 10.3, and 10.4 of the MYT Regulations, 2021, which specify as under:

> *"10.2 .... The Distribution Licensee shall file an application for truing up of the previous year(s) and determination of tariff for the ensuing year, within the time limit specified in these Regulations.*
>
> *... ....*
>
> *10.3. In case the audited accounts are not available, the provisional truing up shall be done on the basis of un-audited/ provisional account and shall be subject to further final truing up, as soon as the audited accounts is available.*
>
> *10.4 The scope of the truing up shall consist of comparison of the performance of the generating company or STU/ transmission licensee or distribution licensee or SLDC with the approved forecast and shall include following:*
>
> *(a) A comparison of the audited performance of the applicant for the previous financial year(s) with the approved forecast for such previous financial year(s), subject to the prudence check including pass-through of impact of all uncontrollable factors;..."*

CSPDCL submitted that the Review Petition No. 75 of 2024 was filed on 12.09.2024 and the Commission has listed the matter for hearing on 09.12.2024. Further, since the matter is sub-judice and no final Orders have been issued, hence, the claim against the instant Petition has not been included in the Tariff Petition for FY 2025-26.

In accordance with the provisions of the MYT Regulations, 2021, the Commission has undertaken the final true-up for FY 2023-24. In this Chapter, the Commission has analysed all the elements of audited expenditure and revenue of CSPDCL for FY 2023-24 and undertaken final true-up of expenses and revenue in accordance with Regulation 10 of the MYT Regulations, 2021.

The Commission has approved the sharing of gains and losses on account of controllable factors between CSPDCL and the consumers, in accordance with Regulation 13 of the MYT Regulations, 2021.

8.2 Energy Sales

CSPDCL's Submission

CSPDCL submitted that it served 63,05,338 consumers at LV level and 3881 consumers at HV and EHV level during FY 2023-24. CSPDCL submitted that the connected load recorded during FY 2023-24 was 8,210.21 MW at LV level and 4,351.01 MW at EHV and HV level.

The category-wise energy sales were recorded as 31,649.50 MU for FY 2023-24, comprising 17,049.90 MU sales to LT category and 14,599.60 MU to HV and EHV category.

Commission's View

The Commission sought actual category-wise and slab-wise sales in kWh for all LV consumers and category-wise sales in kVAh for all HV consumers for FY 2023-24. The Commission also sought voltage-wise break up for HV and EHV sales for FY 2023-24. CSPDCL submitted the R-15 data for LV and HV/EHV categories for FY 2023-24.

Agriculture Consumption

In response to the Commission's query, CSPDCL submitted the month-wise average hours of supply to the agriculture category, which shows average supply of 18.27 hours/day for each month of FY 2023-24.

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 2023-24. It is observed that actual average annual load factor recorded was 49.42% for FY 2023-24, which translates to average running of 11.86 hours per day throughout the year. Further examination reveals that in some months, the actual load factor has been reported much higher, at 66.35% for March 2024, and 62.34% August 2023. This translates to average running hours of 16 hours/day in March 2024, and ~ 15 hours/day in August 2023. Such data lacks credibility and **CSPDCL is directed to ensure that the agricultural connections are metered properly and meters read on time, so that the agricultural consumption is reported realistically and correctly.**

Regulation 11.1 of the MYT Regulations, 2021 provides that the sales mix and quantum of sales are uncontrollable factors. The Commission, therefore, approves the energy sales as submitted by CSPDCL in its Petition for final True-up of FY 2023-24.

The consumer category-wise sales for FY 2023-24 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 2023-24 (MU)

Consumer Category	Tariff Order	Petition	Final True-up
LV Categories (A)	**16,826.48**	**17,049.90**	**17,049.90**
Domestic Including BPL Consumers	7,276.32	6,531.72	6,531.72
Non-Domestic (Normal Tariff)	343.02	340.04	340.04
Non-Domestic (Demand Based)	943.91	981.02	981.02
Agriculture Metered	5,618.43	5,778.60	5,778.60
Agriculture allied	39.15	38.40	38.40
LT Industry	719.31	746.20	746.20
Public Utilities	610.15	859.03	859.03
IT Industry	1.36	0.80	0.80

Consumer Category	Tariff Order	Petition	Final True-up
Temporary	1,274.83	1,774.09	1,774.09
HV Categories (B)	**13,808.22**	**14,599.60**	**14,599.60**
Railway Traction	1,305.90	1,321.97	1,321.97
Mines (Coal & Others)	725.26	646.45	646.45
Other Industry & General Purpose Non-Industrial	2,327.73	2,011.60	2,011.60
Steel Industries	9,000.02	10,184.83	10,184.83
PWW, Irrigation & Agriculture allied activities	249.56	228.95	228.95
Residential Purpose	180.73	178.84	178.84
Start-up Power Tariff	11.64	6.41	6.41
Industries related to manufacturing of equipment for RE power generation	4.80	5.59	5.59
IT Industries	2.58	0.92	0.92
Temporary	-	14.05	14.05
Grand Total (A+B)	**30,634.70**	**31,649.50**	**31,649.50**

8.3 Distribution Loss and Energy Balance

CSPDCL's Submission

CSPDCL submitted that the energy losses for the Distribution System has been computed based on Regulations 98.1, 98.2, and 98.3 of the MYT Regulations, 2021, as reproduced below:

"98. ENERGY LOSS FOR DISTRIBUTION SYSTEM

98.1 The energy loss for 33 KV and below voltage level, shall be computed as per relevant provision(s) of the State Grid Code 2011 as amended from time to time. The difference between the energy injected at 33 KV voltage level and the sum of energy sold to all its consumers (retail and open access), at voltage level 33 KV and below shall be the energy loss for the 33KV and below system. The same shall be considered for the gain/ loss at the time of true up.

98.2. Energy sold shall be the sum of metered sales and assessed unmetered sales, if any, based on prudence check by the Commission.

98.3. Energy Loss trajectory for distribution licensee shall be as specified by the Commission in the tariff order."

In view of the above said provisions, CSPDCL submitted the Distribution Loss and Energy Balance for FY 2023-24, as shown in the Table below, and requested the Commission to approve the same:

Table 8-2: Energy Balance for FY 2023-24 as submitted by CSPDCL (MU)

Sl.	Particulars	Tariff Order	Petition
1	LV Sales	16,826.48	17,049.90
2	HV Sales	8,613.35	8,577.52

Sl.	Particulars	Tariff Order	Petition
3	Total Sales below EHV Level	25,439.83	25,627.42
4	**Distribution Loss below 33 kV (in %)**	**15.33%**	**17.42%**
5	Distribution Loss below 33 kV (in MU)	4,606.03	5,404.21
6	Gross Energy requirement at 33 kV Level	30,045.86	31,031.63
7	*Less:* Direct Input to distribution at 33 kV Level	351.77	187.12
8	Net Energy Input required at Distribution Periphery at 33 kV Level	29,694.09	30,844.51
9	Sales to EHV consumers	5,194.87	6,022.08
10	Net energy requirement at Distribution periphery	**34,888.96**	**36,866.59**
11	**Distribution loss including EHV Sales**	**13.07%**	**14.58%**

Commission's View

For the purpose of true-up for FY 2023-24, 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 2023-24.

The Commission has approved the Energy Balance as per the provisions of the MYT Regulations, 2021 and methodology adopted in previous Tariff Orders. The approved Distribution Losses and Energy Balance after final true-up for FY 2023-24, 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 2023-24

Sl.	Particulars	Tariff Order	Petition	Final True-up
A	**Input: Total Energy available (MU)**		**37,053.71**	**37,053.71**
	i. Available at 33 kV outgoing feeder	30,045.86	30,844.51	30,844.51
	ii. Injected by CPP/IPP at 33/11kV S/s	351.77	187.12	187.12
	iii. Available a EHV Level		6022.08	6022.08
B	**Output: Total Energy Sales (MU)**	**30,634.70**	**31,649.50**	**31,649.49**
	i. LV Sales	16,826.48	17,049.90	17,049.90
	ii. HV Sales	8,613.35	8,577.52	8,577.51
	iii. EHV Sales	5194.87	6022.08	6022.08
C	**Energy Loss below 33 kV (MU)** ***{(Ai + Aii) – (Bi +Bii)}***	4606.03	5,404.21	5,404.22
D	**Energy Loss below 33 kV (%)** ***{C/(Ai+Aii)*100}***	**15.33%**	**17.42%**	**17.42%**

Sl.	Particulars	Tariff Order	Petition	Final True-up
E	**Distribution Loss Including EHV Sales (MU) (*A – B)***		5,404.21	5,404.22
F	**Distribution loss including EHV Sales** *(E/A*100)*	**13.07%**	**14.58%**	**14.58%**

8.4 Incentive/Disallowance for over/under-achievement of Distribution Loss

CSPDCL's Submission

CSPDCL submitted the distribution loss and computation of incentives/penalty with respect to achievement of targeted 33 kV Distribution Loss level for FY 2023-24, as shown in the table below:

Table 8-4: Sharing of Loss on account of underachievement of Distribution loss for FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Sl.	Particulars	Legend	Petition
1	Energy Input considered for Distribution Business (MU)	A	31,031.63
2	Total Sales (MU)	B	31,649.50
3	Power Purchase Cost (Rs. Crore)	C	19,959.62
4	Gross Power Purchase Quantum (MU)	D	45,476.40
5	Power Purchase Cost excluding Transmission Charges (Rs. Crore)	E	17,755.22
6	Per Unit Cost of Power Purchase (Rs/kWh)	F = E/D*10	**3.90**
7	Targeted Distribution Losses (%)	G	15.33%
8	Actual Distribution Losses (%)	H	17.42%
9	Under achievement (%)	I = H – G	2.09%
10	MU Shortfall	J = I*A	647.06
11	Loss Due to Under-achievement (Rs. Crore)	K=J*F/10	252.63
12	**CSPDCL Share (Rs. Crore)**	**L = K*2/3**	**168.42**

CSPDCL submitted that the Distribution Loss target approved for FY 2023-24 in the Tariff Order dated 28th March 2023 is 15.33%, against which CSPDCL has achieved actual Distribution Losses of 17.42%. CSPDCL has computed the under-achievement as a deduction of Rs. 168.42 Crore from the ARR for FY 2023-24.

Commission's View

The Distribution Loss target below 33 kV approved by the Commission in the Tariff Order for FY 2023-24 is 15.33%. The actual Distribution Loss below 33 kV achieved by CSPDCL during FY 2023-24 based on actual energy sales and power purchase works out to 17.42%. Thus, CSPDCL has reported higher than targeted Distribution Loss for FY 2023-24.

The MYT Regulations, 2021 specifies as under, regarding sharing of efficiency losses on account of under-achievement of Distribution Losses:

> *"13.2 The mechanism for sharing of aggregate net loss on account of under achievement in reference to the target set in tariff order for efficiency linked controllable items and energy losses computed in accordance to Regulation 98 shall be passed on to the beneficiary / consumer(s) and by the generating company or the licensee, as the case may be, in the ratio of 1:2 or as may be specified in the Order of the Commission passed under this Regulation."*

Further, the Transmission Charges should be excluded while computing the average cost of power purchase for the purpose of computing efficiency gains/losses on account of Distribution Losses.

The Commission has assessed the impact of under-achievement of Distribution Loss vis-à-vis the targeted Distribution Loss, and considered 2/3rd of the efficiency losses on account of such under-achievement as CSPDCL's share in accordance with the MYT Regulations, 2021, as shown in the Table below:

Table 8-5: Sharing of Loss approved by the Commission on account of underachievement of Distribution loss for FY 2023-24 (Rs. Crore)

Sl.	Particulars	Legend	Petition	Approved after true-up
1	Energy Input considered for Distribution Business (MU)	A	31,031.63	31,031.63
2	Total Sales (MU)	B	31,649.50	25,627.41
3	Power Purchase Cost (Rs. Crore)	C	19,959.62	19,048.34
4	Gross Power Purchase Quantum (MU)	D	45,476.40	45,476.40
5	Power Purchase Cost excluding Transmission Charges (Rs. Crore)	E	17,755.22	16,934.96
6	Per Unit Cost of Power Purchase (Rs/kWh)	F = E/D*10	3.90	3.72
7	Targeted Distribution Losses (%)	G	15.33%	15.33%
8	Actual Distribution Losses (%)	H	17.42%	17.42%
9	Under achievement (%)	I = H – G	2.09%	2.09%
10	MU Shortfall	J = I*A	647.06	647.07
11	Loss Due to Under-achievement (Rs. Crore)	K=J*F/10	252.63	240.96
12	**CSPDCL Share (Rs. Crore)**	**L = K*2/3**	**168.42**	**160.64**

The slight difference in the computation of efficiency losses due to higher than targeted Distribution Losses is on account of lower power purchase cost being approved by the Commission, as compared to CSPDCL's claim, as elaborated in the subsequent section of this Order.

The above impact of under-achievement of Rs. 160.64 Crore to be borne by CSPDCL has been adjusted against the ARR of CSPDCL for FY 2023-24.

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 2023-24.

CSPDCL submitted that the net power purchase cost in FY 2023-24 as per Audited Accounts is Rs. 19,959.62 Crore.

CSPDCL further submitted that it has purchased 352.52 MU through banking arrangement and has sold 852.46 MU through banking arrangement in FY 2023-24, and the cost of both the transactions has been considered as NIL, in line with the Judgment of the Hon'ble APTEL dated 1st July 2014 in Appeal No. 220 of 2013.

CSPDCL has claimed the gross purchase cost of Rs. 19,959.62 Crore for purchase of 45,476.40 MU, at an average rate of 4.39/kWh. CSPDCL has adjusted the revenue of Rs. 2,464.54 Crore for sale of 6,841.92 MU of surplus power at an average rate of Rs. 3.60/kWh, comprising revenue from sale of surplus power quantum of 5,316.61 MU as Rs. 2,270.80 Crore at an average rate of Rs/ 4.27/kWh, UI sales of 672.86 MU amounting to Rs. 173.21 Crore at an average rate of Rs. 2.57/kWh, and RRAS Settlement of Rs. 20.52 Crore. The net power purchase cost claimed by CSPDCL for FY 2023-24 is Rs. 17,495.08 Crore, at an average rate of Rs. 4.53/kWh, including the Transmission Charges.

Commission's View

In reply to the Commission's query, CSPDCL submitted the details of source-wise fixed charges and variable charges of power purchase for FY 2023-24. CSPDCL also submitted the reconciliation of the power purchase expenses claimed in the true-up Petition with the power purchase expenses reported in the Audited Accounts of FY 2023-24.

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 2023-24, as discussed in the paragraphs below.

CSPGCL Stations

CSPDCL has claimed purchase of 19,688.97 MU at a cost of Rs. 7,287.66 Crore from CSPGCL Stations, comprising 19,328.62 MU of thermal power at a cost of Rs.

6666.35 Crore, 320.73 MU of hydro power at a cost of Rs. 70.82 Crore, and 39.61 MU of Renewable Energy (RE) at a cost of Rs. 12.45 Crore.

The Commission observed that CSPDCL had also claimed the previous year's Gap of Rs. 538.04 Crore along with the cost of power purchase from CSPGCL. Hence, the Commission sought reconciliation of the power purchase cost claimed by CSPDCL towards purchase of power from CSPGCL with the revenue from sale of power to CSPDCL in FY 2023-24, as claimed by CSPGCL in its True-up Petition for FY 2023-24.

In this regard, CSPDCL vide reply dated 22nd January 2025 submitted the desired reconciliation, and clarified that CSPDCL has accounted for the past Revenue Gap of Rs. 538.04 Crore under cost of power purchase from CSPGCL as well as in the overall Revenue Gap computation, resulting in double accounting of the same.

CSPDCL submitted the revised computation of Revenue Gap/(Surplus) for FY 2023-24 after reducing the power purchase cost appropriately, by removing the above-stated double-accounting of past Revenue Gap of Rs. 538.04 Crore.

The Commission directs CSPDCL to ensure that the future submissions are verified for factual correctness before being submitted to the Commission.

The Commission has examined the reconciliation of the cost of power purchase from CSPGCL with the revenue from sale of power to CSPDCL, as claimed by CSPGCL. Accordingly, the Commission has considered the cost of power purchase from CSPGCL as claimed by CSPDCL, except for disallowing the past Revenue Gap of Rs. 538.04 Crore to ensure against double-accounting, and Delayed Payment Charges (DPC) of Rs. 0.48 Crore, as DPC is not allowable as an expense.

The Commission has hence, approved power purchase of 19,688.97 MU at a total cost of Rs. 6,749.14 Crore from CSPGCL stations for FY 2023-24, at an average rate of Rs. 3.43/kWh.

Central Generating Stations (CGS)

CSPDCL has claimed purchase of 17,136.66 MU at a cost of Rs. 6,880.59 Crore from CGS Stations.

The power purchase quantum and cost against other CGS sources, viz., NTPC, NTPC-SAIL, NPCIL and OHPCL, NHPCL, NEEPCO, etc., and the total cost of purchase from CGS Sources have been verified and considered as submitted by CSPDCL in its Petition.

The Commission has accordingly approved power purchase of of 17,136.66 MU at a total cost of Rs. 6,880.59 Crore from CGS for FY 2023-24 at an average rate of Rs. 4.02/kWh, in the true-up for FY 2023-24.

Renewable Energy Sources

The Commission has scrutinised the source-wise details of RE purchase during FY 2023-24 based on the details provided by CSPDCL in its reply dated 24th January 2025 and 25th February 2025. The Commission has verified the rates of power purchase based on tariffs approved by the Commission in the past.

In reply to the Commission's query regarding the expense of Rs. 145.91 Crore booked against 'Other RE Cost (Solar Rooftop banking)', CSPDCL clarified that the amount is already included in the power purchase cost and the claim of additional cost of Rs. 145.91 Crore under this head is incorrect. Accordingly, the Commission has not considered this additional cost of Rs. 145.91Crore in its analysis.

The Commission has approved the quantum and cost of purchase from RE sources, viz., Biomass, Solar, and Hydel/Other RE as submitted by CSPDCL.

The Commission has accordingly approved the quantum and cost of power purchase from RE Sources for FY 2023-24 as 4,270.79 MU costing Rs. 2,147.40 Crore at an average rate of Rs. 5.03/kWh in the true-up for FY 2023-24.

Power Purchase from CSPTrdCL (Concessional Power)

It is observed that CSPDCL has claimed purchase of 3,233.09 MU of concessional power at the cost of Rs. 744.33 Crore during FY 2023-24 at an average rate of Rs. 2.30/kWh.

In response to the Commission's query, CSPDCL submitted the source-wise quantum and rate of power purchase from 'Concessional Power through CSPTrdCL' as Annexure 2 - R4 vide its reply dated 24th January 2025.

The Commission after due prudence check has approved purchase of 3,233.09 MU of concessional power during FY 2023-24 at the cost of Rs. 744.33 Crore at an average rate of Rs. 2.30/kWh.

Other Sources

It was observed that there was mismatch in the amount considered for purchase of power from IEX in between Excel Model format (Rs. 193.96 Crore) and Petition (Rs. 329.79 Crore).

In response to the Commission's query, CSPDCL vide its reply dated 22nd January 2025 admitted that the amount mentioned in the Petition is a typographical error and the correct cost is Rs. 193.96 Crore.

CSPDCL has purchased 273.12 MU from short term purchase/IEX at a cost of Rs. 193.96 Crore at an average rate of Rs. 7.10/kWh in FY 2023-24.

The Commission, after due prudence check, has approved the purchase of 273.12 MU from Power Exchanges at a cost of Rs. 193.96 Crore in the true-up of FY 2023-24.

UI Purchase

In the Petition, CSPDCL had submitted that during FY 2023-24, CSPDCL has purchased 519.15 MU under UI at a rate of Rs. 4.18/kWh, with total cost of Rs. 217.23 Crore. In response to the Commission's query, CSPDCL, vide its reply dated 22nd January 2025 clarified that the DSM Charges are included in the cost of the net UI expenses.

The **Commission, after due prudence check, has accepted the total quantum of 519.15 MU and cost of UI power as Rs. 217.23 Crore at an average rate of Rs. 4.18/kWh, as submitted by CSPDCL**.

Banking Purchase and Sale

CSPDCL submitted that it purchased 352.52 MU through banking arrangement and returned 852.46 MU of banked power during FY 2023-24. CSPDCL has stated that it has considered the cost of banking purchase and sale in FY 2023-24 as Nil, in accordance with the Judgment of the Hon'ble APTEL dated 1st July 2014 in Appeal No. 220 of 2013.

In line with the regulatory principles, banking of power involves cashless transaction, where interchange of units has to be accomplished. The **Commission has considered the quantum of banking purchase and sale as submitted in CSPDCL's Petition, in the true-up for FY 2023-24**.

Reactive Charges and RRAS Settlement

CSPDCL has considered reactive charges of Rs. 0.28 Crore. The Commission has verified CSPDCL's claim and **approved reactive charges of Rs. 0.28 Crore in the true-up of FY 2023-24.**

The RRAS Settlement has been accepted as income of Rs. 20.52 Crore, as submitted by CSPDCL in its Petition.

Transmission Charges

CSPDCL has claimed inter-State Transmission Charges of Rs. 1198.60 Crore, intra-State Transmission Charges of Rs. 996.82 Crore, and CSLDC Charges of Rs. 8.99 Crore, totalling to Transmission Charges of Rs. 2204.40 Crore.

In response to the Commission's query, CSPDCL submitted the break-up of inter-State Transmission Charges in the same format as submitted in earlier years. Also, CSPDCL has admitted in its reply that there was misclassification of transmission charges between inter-State and intra-State transmission charges as submitted in the Petition.

The Commission observed that CSPDCL had also claimed the previous year's Gap of Rs. 51.24 Crore along with the Transmission Charges of CSPTCL. Hence, the Commission sought reconciliation of the CSPTCL Transmission Charges claimed by CSPDCL with the revenue from Transmission Charges in FY 2023-24, as claimed by CSPTCL in its True-up Petition for FY 2023-24.

In this regard, CSPDCL vide reply dated 22nd January 2025 submitted the desired reconciliation, and clarified that CSPDCL has accounted for the past Revenue Gap of Rs. 51.24 Crore under CSPTCL Transmission Charges as well as in the overall Revenue Gap computation, resulting in double accounting of the same.

CSPDCL submitted the revised computation of Revenue Gap/(Surplus) for FY 2023-24 after reducing the CSPTCL Transmission Charges appropriately, by removing the above-stated double-accounting of past Revenue Gap of Rs. 51.24 Crore.

The Commission has scrutinized the Transmission Charges as submitted by CSPDCL for FY 2023-24 in its true-up Petition and its reply to the Data Gap raised to CSPDCL vis-à-vis the expenses booked in the Audited Accounts of FY 2023-24. It is observed that CSPDCL's claim of Transmission Charges is higher by Rs. 32.53 Crore, as compared to the amount reported in the Audited Accounts. Hence, the Commission has reduced the allowable Transmission Charges by Rs. 32.53 Crore, under the head “inter-State Transmission Charges”.

CSPDCL submitted the reconciliation between amount claimed against Transmission Charges paid to CSPTCL and revenue from Transmission Charges claimed by CSPTCL. CSPDCL also submitted the reconciliation between amount claimed against SDLC Charges paid to CSLDC and revenue claimed by SLDC. It is observed that CSPDCL has also claimed DPC of Rs. 135.83 Crore payable to CSPTCL under its power purchase cost. As DPC is not allowable as an expense, the Commission has disallowed the DPC of Rs. 135.83 Crore against CSPTCL Transmission Charges in the true-up of FY 2023-24.

In view of the above, after due prudence check, **the Commission approves the Transmission Charges of Rs. 2123.19 Crore in the true-up for FY 2023-24**.

Revenue from Sale of Surplus Power

CSPDCL has submitted the revenue from sale of surplus power of 5316.61 MU for FY 2023-24 as Rs. 2270.80 Crore. The Commission has considered the revenue from sale of surplus power as submitted by CSPDCL in its reply to the data gaps. However, the Commission has continued with the methodology adopted in previous Orders by separately accounting for revenue from sale of surplus power and revenue from retail sale of power and considering the revenue from sale of surplus power under revenue rather than reducing the gross power purchase expenses. The revenue from sale of surplus power considered by the Commission is shown in the Table below:

Table 8-6: Revenue from Sale of Power as approved by the Commission

Particulars	MU	Rs. Crore	Rs/kWh
Sale of Surplus Power to Power Exchange	5316.61	2270.80	4.27
UI Sale	672.86	173.21	2.57
Banking Sale	852.46		
Grand Total	**6841.92**	**2444.02**	**3.57**

The source-wise power purchase quantum and cost approved by the Commission after true-up for FY 2023-24, is shown in the Table below:

Table 8-7: Approved Power Purchase Cost after True-up for FY 2023-24 (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	**14,411.68**	**5,707.93**	**3.96**	**17,136.66**	**6,880.59**	**4.02**	**17,136.66**	**6,880.59**	**4.02**
NTPC	13205.52	5071.7	3.84	15,628.36	6,266.69	4.01	15,628.36	6,266.69	4.01
NTPC-SAIL (NSPCL)	279.94	133.49	4.77	318.66	138.18	4.34	318.66	138.18	4.34
NPCIL	277.93	94.46	3.40	553.25	212.01	3.83	553.25	212.01	3.83
Hirakund (OHPCL)	648.29	408.28	6.30	16.48	3.62	2.20	16.48	3.62	2.20
NHPCL				379.38	157.97	4.16	379.38	157.97	4.16
NEEPCO				56.47	22.65	4.01	56.47	22.65	4.01
Bundled Thermal Power				184.06	79.45	4.32	184.06	79.45	4.32
CSPGCL	**18,697.84**	**6,441.91**	**3.45**	**19,688.97**	**7,287.66**	**3.70**	**19,688.97**	**6,749.14**	**3.43**
CSPGCL-Thermal	18023.59	6370.29	3.53	19,328.62	6,666.35	3.45	19,328.62	6,666.35	3.45
CSPGCL-Hydro	674.25	71.62	1.06	320.73	70.82	2.21	320.73	70.82	2.21
CSPGCL-Renewables				39.61	12.45	3.14	39.61	12.45	3.14
Others	-	-	-	-	538.04*	-	-	-	
Less: Late Payment Charges								(0.48)	
Short-term Purchase (IEX)	**-**	**-**	**-**	**273.12**	**#329.79**	**7.10**	**273.12**	**193.96**	**7.10**
Others (Delayed Payment surcharge of CSPTCL)	**-**	**-**	**-**	**-**	**135.83**	**-**	**-**	**-**	**-**
Concessional Power - through CSPTrdCL	**2,395.56**	**444.52**	**1.86**	**3233.09**	**744.33**	**2.30**	**3,233.09**	**744.33**	**2.30**
Others - Renewables	**4,695.64**	**1,331.70**	**2.84**	**4,270.79**	**2,293.31**	**5.37**	**4270.79**	**2,147.40**	**5.03**
Biomass	-	115.5	-	992.22	775.92	7.82	992.22	775.92	7.82
Solar	960.33	240.08	2.50	2,193.94	878.36	4.00	2193.94	878.36	4.00
Hydel	464.72	158.47	3.41	474.73	321.61	6.77	474.73	321.61	6.77
PM KUSUM Yojna Component-A (SGP)	3270.59	817.65	2.50	0.26	0.09	3.46	0.26	0.09	3.46

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)
Wind				*609.65*	*171.42*	*2.81*	*609.65*	*171.42*	*2.81*
Other RE cost (Solar rooftop banking)				-	*145.91*	-		-	
Unscheduled Power	-	-	-	-	-	-	-	-	-
Transmission Charges	-	**1899.85**	-	-	**2204.40**	-		**2,123.19**	
Inter-State Transmission Charges	-	*724.69*	-	-	*1198.60*	-		*964.70*	
Intra-State Transmission Charges	-	*1155.61*	-	-	*996.82*	-		*1,146.95*	
CSLDC Charges	-	*19.55*	-	-	*8.99*	-		*11.54*	
UI Purchase	-	-	-	**519.15**	**217.23**	**4.18**	**519.15**	**217.23**	**4.18**
Border Villages	-	-	-	**2.12**	**2.03**	**9.60**	**2.12**	**1.82**	**8.61**
Banking Purchase	-	-	-	**352.52**	-	-	**352.52**	-	-
Reactive Charges	-	-	-	-	**0.28**	-	-	**0.28**	-
Gross Power Purchase Cost excluding Transmission Charges				**45,476.40**	**17,755.22**	**3.90**	**45,476.40**	**16,934.96**	**3.72**
Gross Power Purchase Cost including Transmission Charges	**40,200.72**	**15,822.19**	**3.94**	**45,476.40**	**19,959.62**	**4.39**	**45,476.40**	**19,058.14**	**4.19**
Less: Adjustments	**3,714.17**	**1,921.02**	-	**6,841.92**	**2,464.54****	**3.60**	**6,841.92**	**2,464.54****	**3.60**
Sale of Surplus power to Power Exchange*	*3714.17*	*1921.02*	*5.17*	*5,316.61*	*2,270.80*	*4.27*	*5,316.61*	*2,270.80*	*4.27*
UI Sales	-	-	-	*672.86*	*173.21*	*2.57*	*672.86*	*173.21*	*2.57*
Banking Sale	-	-	-	*852.46*	-	-	*852.46*	-	-
RRAS Settlement	-	-	-	-	*20.52*	-	-	*20.52*	-
Net Power Purchase Cost	**36,486.53**	**13,901.17**	**3.81**	**38,634. 48**	**17,495.08**	**4.53**	**38,634.48**	**16,593.61**	**4.30**

Note *– * - Revenue Gap of CSPGCL approved in Tariff Order dated 28.03.2023*
*** Adjustment of Rs. 2464.54 Crore is done in Revenue from sale of surplus power and included in Revenue*

The Commission approves Gross Power Purchase Cost of Rs. 16,593.61 Crore after final Truing-up of FY 2023-24.

8.6 O&M Expenses

CSPDCL's Submission

Based on audited accounts, CSPDCL submitted the actual O&M expenses of Rs. 1,692.05 Crore for FY 2023-24 excluding Terminal Benefits (pension and gratuity), as shown in the Table below:

Table 8-8: Actual O&M expenses as submitted by CSPDCL (Rs. Crore)

Sl. No.	Particulars	Tariff Order	Petition
1	Employee Costs (including outsourcing)	1,308.04	1,168.50
2	A&G Expenses	92.42	78.99
3	R&M Expenses	261.95	444.57
4	**Total O&M Expenses**	**1,662.41**	**1,692.05**

CSPDCL submitted that as per the MYT Regulations, 2021, the O&M Expenses includes HR Expenses and Maintenance and General (M&G) Expenses. HR Expenses comprise employee cost, impact of wage revision and manpower cost on outsourcing basis. CSPDCL requested the Commission to approve Employee expenses of Rs 1,168.50 Crore for FY 2023-24 based on Audited Accounts.

CSPDCL submitted that outsourced contract labour is engaged for operation of 33/11 kV substations, meter reading, bill distribution and revenue collection, secretarial assistance in offices, housekeeping, security, etc., the expenses against which are booked under the head of A&G expenses and R&M expenses in the Audited Accounts. Such expenses on employees deployed on outsourcing basis are considered under employee expenses as per the MYT Regulations, 2021.

Further, CSPDCL submitted that additional manpower on outsourcing basis on account of Meter installation and replacement and Apprentice stipend are booked under A&G Expense. The same is considered under employee expense as per the MYT Tariff Regulations 2021. CSPDCL submitted the details of such expenditure as given in the Table below:

Table 8-9: Expenses on Contract Manpower in FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Sl. No.	Particulars	A&G Expenses	R&M Expenses
1	Meter installation & replacement, and, Apprentice stipend	1.59	-
2	**Total**	**1.59**	**-**

CSPDCL requested the Commission to approve actual M&G Expenses (sum of A&G expenses and R&M expenses) of Rs. 523.56 Crore.

Sharing of Gains/(Losses) on account of M&G Expenses

CSPDCL submitted that in accordance with the MYT Regulations, 2021, the HR Expenses including the Employee Expenses and outsourced employee costs have to be allowed at actuals in the truing up, and no sharing of gains/(losses) is to be done for the HR expenses.

CSPDCL submitted that it has calculated the revised normative A&G expenses and R&M expenses for FY 2023-24 by escalating the normative A&G expenses and R&M expenses of FY 2022-23 with the increase in escalations indices. Further, for computing the revised normative A&G expenses and R&M Expenses, CSPDCL have considered average escalation in CPI index for R&M Expenses and CPI and WPI escalation rate for last 5 years in the ratio of 60:40, as shown in the Table below:

Table 8-10: Normative M&G Expenses for FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Sl. No.	Particulars	Tariff Order Dated 13.4.2022	Final True Up
1.	A&G Expenses	92.42	96.33
2.	R&M Expenses	261.95	289.48

CSPDCL submitted the sharing of efficiency gains/(losses) on account of M&G expenses for FY 2023-24, as shown in the Table below:

Table 8-11: Sharing of Gains/(Losses) in M&G Expenses for FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Particulars	Revised Normative	Actual Expenses	Efficiency (Gain)/Loss	Share of (Gain)/Loss	
				CSPDCL	Consumers
A&G Expenses	96.33	78.99	(17.34)	(11.56)	(5.78)
R&M Expenses	289.48	444.57	155.09	103.39	51.70
Total	**385.81**	**523.56**	**137.75**	**91.83**	**45.92**

CSPDCL submitted that it has computed sharing of (gain)/Loss after deducting actual expenses incurred towards engagement of outsourced manpower on account of Meter installation and replacement and Apprentice stipend amounting to Rs. 1.59 Crore and requested the Commission to approve the sharing of efficiency loss of Rs. 137.75 Crore against M&G expenses for FY 2023-24.

Commission's View

The Commission had approved O&M expenses of Rs. 1,662.40 Crore in the Tariff Order for FY 2023-24. As against this, CSPDCL has claimed actual O&M Expenses of Rs. 1,692.05 Crore for FY 2023-24 based on Audited Accounts.

Actual O&M Expenses

CSPDCL has claimed actual employee expenses of Rs 1168.50 Crore for FY 2023-24 based on the Audited Accounts, and after adding the employee expenses against outsourced contractual employees, which have been reduced from the corresponding A&G and R&M expenses. The Commission has verified the actual employee expenses from the Audited Accounts of FY 2023-24.

As regards the employee expenses against outsourced contractual employees, the Commission observed that CSPDCL has claimed the amount of Rs. 1.59 Crore under employee expenses head, on account of Meter installation and replacement and

Apprentice stipend which are booked under R&M and A&G Expenses in Accounts. Accordingly, the Commission has reduced the expenses of Rs. 1.11 Crore from A&G expenses and Rs. 0.48 Crore from R&M expenses, as the same have been allowed under employee expenses. Further, the Commission has added Rs. 67.67 Crore for leave compensation and encashment benefit under employee expenses head, though, CSPDCL has claimed the same expenses under P&G head as clarified by CSPDCL vide reply dated 22nd January 2025.

The Commission, hence, approves actual employee expenses of Rs. 1,236.17 Crore in the truing up of FY 2023-24.

CSPDCL has claimed A&G Expenses of Rs. 78.99 Crore in the final true-up for FY 2023-24. The Commission sought details from CSPDCL regarding 'Miscellaneous Expenses' of Rs. 14.68 Crore claimed under A&G expenses.

From the details of 'Miscellaneous Expenses' of Rs. 14.68 Crore submitted by CSPDCL vide reply dated 22nd January 2025, it is observed that the Miscellaneous Expenses include 'Compensation for Outsider Injury' of Rs. 5.92 Crore and 'Penalty Charges' of Rs. 1.31 Crore. The Commission is of the view that 'Compensation for outsider injury' paid by CSPDCL for its unsafe operations cannot be recovered from the consumers and have to be borne by CSPDCL. Similarly, the 'Penalty Charges' of Rs. 1.31 Crore cannot be recovered from the consumers and have to be borne by CSPDCL. Hence, the Commission has disallowed expenses of Rs. 7.23 Crore (Rs. 5.92 Crore + Rs. 1.31 Crore) from the actual A&G expenses. **The Commission has thus, allowed actual A&G expenses as Rs. 72.23 Crore in the true-up of FY 2023-24**.

CSPDCL has claimed actual R&M Expenses of Rs. 444.57 Crore for FY 2023-24. The Commission sought details from CSPDCL regarding 'Other Expenses' of Rs. 85.53 Crore claimed under R&M expenses. From the details of 'Other Expenses' of Rs. 85.53 Crore submitted by CSPDCL vide reply dated 22nd January 2025, it is observed that the 'Other Expenses' include 'Meter installation/Replacement' of Rs. 0.47 Crore. Hence, the Commission has deducted Rs. 0.47 Crore from actual R&M expenses as discussed in above para and the same is allowed under employee expenses.

The Commission has verified these expenses from the Audited Accounts of FY 2023-24 and allows the actual R&M expenses of Rs. 444.10 Crore in the true-up of FY 2023-24.

Accordingly, the actual O&M Expenses considered by the Commission for sharing of gains and losses are given in the following Table:

Table 8-12: Actual O&M expenses as considered by the Commission (Rs. Crore)

Sl.	Particulars	Tariff Order	Petition	True-up
1	Employee Costs	1,308.04	1168.50	1,236.17
2	A&G Expenses	92.42	78.99	72.23
3	R&M Expenses	261.95	444.57	444.10
4	**Total O&M Expenses**	**1,662.41**	**1,692.06**	**1,752.49**

Normative O&M Expenses

Regulation 83.4 of the MYT Regulations, 2021 specifies as under:

*"**83.4.1. Human Resource (HR) Expenses***

(a) HR Expenses shall include:

(i) employees costs;

(ii) impact of Pay revision;

(iii) manpower deployed on outsourcing basis;

…

*(e) **At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism**.*

…

83.4.2. Maintenance and General (M&G) Expenses

(a) Maintenance and General (M&G) expenses shall include:

(i) Administrative and General (A&G) expenses;

(ii) Repair and Maintenance (R&M) expenses

(b) The Commission shall stipulate a separate trajectory for each of the components of M&G expenses viz., R&M and A&G expenses for the Control Period.

(c) The A&G expenses (excluding expenses towards outsourcing manpower) (A&G) and R&M expenses (excluding expenses towards outsourcing manpower) (R&M) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower) and R&M expenses (excluding expenses towards outsourcing manpower), respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non- recurring nature shall be excluded while determining normalized average for the previous five (5) years.

(d) The normalization of R&M expenses shall be done by applying last five year average increase/decrease in Wholesale Price Index (WPI) of all commodities on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22.

(e) For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in Inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2020-21.

(f) The projected base year value shall be escalated by the above

inflation rate to estimate the A&G and R&M expenses for each year of the control period.

(g) Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry gf Commerce & Industry, Government of India {Base Year: 2011-12 Series};

(h) Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of lndia {Base Year: 2001:100}.

(D At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period." (emphasis added)

Thus, in accordance with the MYT Regulations, 2021, at the time of true up, the HR expenses have to be considered at actuals and shall not be subjected to sharing of gains/(losses). Accordingly, the **Commission has not computed the sharing of gains/(losses) for HR expenses and has allowed the actual HR expenses of Rs. 1,236.17 Crore, as approved earlier in this Chapter**.

However, it has been observed that CSPDCL, when calculating normative A&G Expenses and R&M Expenses, has considered an escalation factor equal to the average inflation rate of the past five years instead of the actual inflation rate for the current year. Also, while computing normative A&G expenses, CSPDCL has applied 100% WPI escalation and for R&M Expenses, it has considered weightage of 40% WPI and 60% CPI. However, as per MYT Regulations 2021, it is vice-versa.

Based on the above Regulations, the Commission has computed the revised normative A&G expenses and R&M expenses for FY 2023-24. The MYT Regulations, 2021 specify that at the time of true-up, only the actual inflation has to be considered instead of the projected inflation rate considered at the time of the MYT Order, which has to be applied to the base A&G expenses and R&M expenses for FY 2022-23, approved in the final true-up for FY 2022-23 in the Order dated 01.06.2024.

The base A&G expenses and R&M expenses for FY 2022-23, as determined in the final true-up for FY 2022-23 in the Order dated 01.06.2024 are Rs. 91.80 Crore and Rs. 273.42 Crore, respectively.

The Commission has considered escalation factor of 2.82% equal to the actual increase in WPI and CPI for FY 2023-24, with 40:60 weightage to WPI:CPI, for projecting the revised normative A&G Expenses for FY 2023-24.

The Commission has considered escalation factor of -0.74% equal to the actual increase in WPI for FY 2023-24, for projecting the revised normative R&M Expenses for FY 2023-24.

The revised normative A&G expenses and R&M expenses approved for FY 2023-24 are shown in the Table below:

Table 8-13: Revised Normative R&M and A&G Expenses for FY 2023-24 (Rs. Crore)

Sl.	Particulars	Petition	True-up
1	A&G Expenses	96.33	94.39
2	R&M Expenses	289.48	271.40

As per the provisions in the MYT Regulations, 2021, the Commission has computed the efficiency gains/(losses) of M&G expenses for FY 2023-24 on the basis of revised normative A&G expenses and R&M expenses, as shown in the following Table:

Table 8-14: Sharing of Gain/(Loss) for FY 2023-24 (Rs. Cr.)

Particulars	Revised Normative	Actual Expenses	Efficiency (Gain)/Loss	Share of (Gain)/Loss	
				CSPDCL	Consumers
A&G Expenses	94.39	72.23	(22.16)	(7.39)	(14.77)
R&M Expenses	271.40	444.10	172.70	115.13	57.57
Total	**365.79**	**516.33**	**150.54**	**107.75**	**42.79**

The Commission approves the sharing of efficiency loss of Rs. 107.75 Crore to be borne by CSPDCL, after true-up for FY 2023-24.

CSPDCL Submission:

In its additional submission dated 13th June, 2025, CSPDCL submitted that it has duly paid both the Annual Licence Fee to the Commission as per the Regulations and the expenditure for the Ombudsman's office as directed by the Commission. The details of these payments are provided below:

Table 8-15: Annual Licence Fee & Ombudsman Expenses as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Annual Licence Fee (in Rs.)	5,97,00,000	7,31,74,000	7,77,00,000	9,43,76,000	9,86,14,840
Expenditure of the Office of Ombudsman (in Rs.)	26,64,157	35,73,597	35,47,480	36,19,851	-
Total (in Rs.)	6,23,64,157	7,67,47,597	8,12,47,480	9,79,95,851	9,86,14,840

CSPDCL submitted that it has recorded both these expenses, viz., the Annual Licence Fee and the expenditure for the Ombudsman's office, as legal charges under A&G Expenses. CSPDCL submitted that since the Commission treats A&G Expenses as controllable and subjects them to the Gain and Loss Sharing Mechanism, these specific costs, which are beyond its control, should be excluded from the sharing mechanism.

CSPDCL submitted that given this legitimate claim, the losses incurred by CSPDCL over the past three years should be compensated through a corresponding adjustment in the FY 2023–24 true-up.

Table 8-16: Sharing of (Gain) /Loss for last 3 years (Rs. Crore)

Year	Revised Normative	Actual Expenses	Licence Fee / Ombudsman Expenditure	Revised Actual Expenses	Efficiency (Gain)/ Loss	Entitlement of (Gain)/ Loss	Entitlement of (Gain)/ Loss
						CSPDCL	Consumers
1	2	3	4	5=3-4	6=2-5	7	8
FY 2021-22 (True-up)	161.24	157.41	6.24	151.17	-10.07	–5.04	-5.04
FY 2022-23 (True-up)	91.80	106.84	7.67	99.17	7.37	4.91	2.46
FY 2023-24 (Petition)	96.33	78.99	8.12	70.87	-25.46	-16.97	-8.49
Total	**349.37**	**343.24**	**22.03**	**321.21**	**-28.16**	**-17.10**	**-11.07**

Table 8-17: Revised Sharing of (Gain)/Loss for FY 2023-24 (Rs. Crore)

Particulars	Revised Normative (Rs. Cr)	Revised Actual Expenses (Rs. Cr)	Efficiency (Gain)/Loss (Rs. Cr)	Entitlement of (Gain)/Loss – CSPDCL (Rs. Cr)	Entitlement of (Gain)/Loss – Consumers (Rs. Cr)
A&G Expenses (Last 3 years)	349.37	321.21	–28.16	–17.10	–11.07
R&M Expenses	289.48	444.57	155.09	103.39	51.70
Total	**638.85**	**765.78**	**126.93**	**86.29**	**40.64**

Commission's View:

The Commission has taken note of CSPDCL's submission regarding the Annual Licence Fee and Ombudsman's office expenses. The Commission recognizes CSPDCL's contention that these legal charges recorded under A&G Expenses are fixed in nature and mandatory payments to be made, and therefore should ideally be excluded from the Gain/Loss Sharing Mechanism. However, the Commission is of the view that this prayer cannot be granted in the true-up for FY 2023-24, on account of the following reasons:

a) The prevalent MYT Regulations do not specify such treatment of the above-said expenses;
b) The original MYT Petition and original MYT Order do not provide for such treatment, and the treatment cannot be revised in the true-up Order;
c) The true-up for FY 2021-22 and FY 2022-23 have already achieved finality and cannot be opened at this point in time.

Consequently, the Commission has not accepted CSPDCL's request in this Order.

However, CSPDCL is at liberty to seek incorporation of such treatment in the CSERC MYT Regulations being framed for the next Control Period.

8.7 Contribution to Pension and Gratuity

CSPDCL's submission

CSPDCL submitted that the Commission in its Tariff Order dated 28th March 2023 allowed contribution to Pension and Gratuity fund as Rs. 768.40 Crore. CSPDCL submitted that it has contributed the total amount of Rs. 895.21 Crore towards Pension and Gratuity in FY 2023-24 as per the audited balance sheet.

Commission's View

The Commission sought clarification from CSPDCL regarding the higher actual contribution to Pension and Gratuity fund as compared to the contribution to Pension and Gratuity fund approved in the Tariff Order. Vide its reply dated 22.01.2025, CSPDCL clarified that the additional amount of Rs. 126.81 Crore shown as contribution to Pension and Gratuity fund comprised Rs. 67.67 Crore for leave compensation and encashment benefits that have been classified under Pension and Gratuity due to the terminal nature of payment, i.e., payable at the time of retirement, and Rs. 59.14 Crore of additional provisioning for Pension and Gratuity made as per actuarial liability calculation.

The Commission has approved the contribution to Pension and Gratuity of Rs. 768.40 Crore in the true-up for FY 2023-24, as approved by the Commission in the Tariff Order dated 28th March 2023. Further, as elaborated earlier in this section, the Commission has approved Rs. 67.67 Crore for leave compensation and encashment benefits under employee expenses head as per normal practice. Also, as per usual practice, provisioning for expenses is not allowed by the Commission, hence, the additional provisioning of Rs. 59.14 Crore for Pension and Gratuity has not been approved.

8.8 Capital Structure

CSPDCL's submission

CSPDCL has computed the capital structure for FY 2023-24 based on the following principles:

(a) The actual loan addition for FY 2023-24 has been considered as Rs. 69.82 Crore based on the Audited Accounts;

(b) Addition in consumer contribution/grants has been considered as Rs. 837.73 Crore as per the Audited Accounts for FY 2023-24;

(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) The total capitalization for FY 2023-24 as per balance sheet is Rs. 957.09 Crore. CSPDCL in its true up Petition for FY 2022-23 had deducted the liabilities provision equivalent to Rs. 90.81 Crore, being provision for non-cash payments, which has been now being discharged and hence, included in the capitalization for true-up for FY 2023-24. Further, the provisional liabilities of Rs 67 Crore, corresponding to 7% of capitalized amount has been deducted from the accrual capitalization of Rs. 957.09 Crore in FY 2023-24. Hence, the final capitalization claimed by CSPDCL for truing up of FY 2023-24 is Rs. 980.90 Crore.

CSPDCL submitted the Capital Structure for FY 2023-24 as given in the Table below:

Table 8-18: Capital Structure for FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Particulars	Legend	Petition
Gross Fixed Assets (GFA)		
Opening GFA	A	12,868.92
Opening CWIP	B	1,755.75
Opening CAPEX	C=A+B	14,624.67
Capitalization during the year	D	980.90
Closing GFA	E=D+A	13,849.82
Closing CWIP	F	2,416.06
Closing CAPEX	G=F+E	16,265.87
Grants and Consumer Contribution		
Opening Grant and Contribution	H	6462.45
Consumer contribution/grants during the year	I	837.73
Closing Consumer Contribution	J=H+I	7,300.18
Consumer Contribution in Opening GFA	K=H*A/C	5,686.61
Consumer Contribution in Closing GFA	L=J*E/G	6,215.84
Loan Borrowed		
Opening Borrowed Loan	M	3,388.13
Loan Borrowed during the year	N	69.82
Closing Borrowed Loan	O=M+N	3457.95
Borrowed Loan in Opening GFA	P=M*A/C	2,981.37
Borrowed Loan in Closing GFA	Q=MAX (O*E/G, P)	2,981.37
Equity		
Opening Gross Equity	R=C-H-M	4,774.09
Equity Addition During the Year	T=S-R	733.66
Closing Gross Equity	S=G-J-O	5,507.75
Gross Equity in Opening GFA	U=A-K-P	4,200.94
Gross Equity in Closing GFA	V=C-L-Q	4,652.60
Average Gross Equity During the year	W=Avg. (U, V)	4,426.77
Funding of Capitalized Assets		
Total Capitalization		980.90
Contribution of Grant in Capitalized Assets		529.24
Contribution of Equity in Capitalized Assets		135.50
Contribution of Loan in Capitalized Assets		316.16

Commission's View

The approved closing balance of Gross Fixed Assets (GFA), Grants/Consumer Contribution, Loan, and Equity approved after final True-up of FY 2022-23 have been considered as the opening balance for FY 2023-24.

The Commission notes that audited accounts for FY 2023-24 indicate the capitalisation of Rs. 957.09 Crore. However, CSPDCL has submitted that the liabilities of Rs. 67 Crore corresponding to 7% of the capitalised amount has been deduced from the accrual capitalisation of Rs. 957.09 Crore. Further, amount of Rs.

90.81 Crore considered as non-cash capital expenditure for FY 2022-23 has now been discharged. Therefore, CSPDCL has claimed capitalisation of Rs. 980.90 Crore (Rs. 957.09 Crore – Rs. 67 Crore + Rs. 90.81 Crore) in the truing-up for FY 2023-24. Accordingly, the Commission has approved the capitalisation of Rs. 980.90 Crore for FY 2023-24.

Further, it is observed that CSPDCL has considered the Opening GFA of FY 2023-24 as Rs. 12,868.92 Crore, instead of the closing balance of Rs. 12,778.10 Crore approved in the true-up of FY 2022-23. In other words, CSPDCL has double-accounted for the GFA of Rs. 90.81 Crore, by considering it as part of the Opening GFA for FY 2023-24 as well as under asset addition for FY 2023-24. The Commission has not considered the non-cash expenditure of Rs. 90.81 Crore under the Opening GFA for FY 2023-24, as the same was not approved in the truing up of FY 2022-23. The addition to Grant/Consumer Contribution in FY 2023-24 has been considered based on the Audited Accounts. The consumer contribution and grants have been reduced from the GFA addition, before considering the normative debt:equity ratio, in accordance with the MYT Regulations, 2021 and approach adopted in previous Tariff Orders.

The GFA and its funding considered by the Commission for FY 2023-24 are shown in the Table below:

Table 8-19: Approved GFA and Funding for FY 2023-24 (Rs. Crore)

Sl.	Particulars	Petition	True-Up
	Gross Fixed Assets (GFA)		
1	Opening GFA	12,868.92	12,778.10
2	Capitalisation during the year	980.90	980.90
3	Closing GFA	13,849.82	13,759.00
	Funding of Capitalisation		
4	Grant	529.24	521.84
5	Equity	135.50	137.72
6	Debt	316.16	321.34
7	**Total Capitalisation**	**980.90**	**980.90**

The Commission approves the total capitalization of Rs. 980.90 Crore and its funding after true-up for FY 2023-24, as shown in the Table above.

8.9 Depreciation

CSPDCL's Submission

CSPDCL submitted that depreciation has been calculated as per Regulation 25 of the MYT Regulations, 2021. CSPDCL has claimed depreciation of Rs. 399.23 Crore for FY 2023-24.

Commission's View

For the purpose of final true-up for FY 2023-24, the Commission has computed the depreciation as per Regulation 25 of the MYT Regulations, 2021. The Regulation provides for separate depreciation rates for each asset group. Accordingly, the weighted average depreciation rates has been computed as 5.57% for FY 2023-24.

The Commission has considered the depreciation on fully depreciated assets for FY 2023-24 as submitted by CSPDCL. The depreciation on fully depreciated assets has been deducted in accordance with the approach adopted in the previous Tariff Orders. Also, the depreciation on consumer contribution/Grants on live assets has been deducted as per Regulation 25 of the MYT Regulations, 2021. Similarly, depreciation on assets converted from loan to grant under UDAY has been deducted.

The depreciation approved after final True-up for FY 2023-24 is shown in the Table below:

Table 8-20: Approved Depreciation for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Opening GFA	10,309.42	12,868.92	12,778.10
Additional Capitalisation during the Year	560.16	980.90	980.90
Closing GFA	10,869.58	13,849.82	13,759.00
Average GFA for the year	10,589.50	13,359.37	13,268.55
Depreciation Rates (%)	5.50%	5.57%	5.57%
Gross Depreciation	585.84	743.66	738.40
Less: Depreciation on consumer contribution on live assets	226.50	275.23	275.23
Less: Depreciation on Fully Depreciated Assets	16.51	23.01	23.01
Less: Depreciation on assets converted from loan to grant under UDAY	46.20	46.20	46.20
Net Depreciation	**296.63**	**399.23**	**393.97**

The Commission approves the total depreciation of Rs. 393.97 Crore after true-up for FY 2023-24, as shown in the Table above.

8.10 Interest on Loan Capital

CSPDCL's Submission

CSPDCL submitted that the Interest on loan capital has been computed in accordance with Regulation 24 of the MYT Regulations, 2021. The allowable depreciation for the year has been considered as the normative repayment for the year. The closing normative loan as on 31.03.2023 as approved by the Commission in the Order dated 01.06.2024 has been considered as opening normative loan as on 01.04.2023. The actual weighted average interest rate of 10.80% has been considered for FY 2023-24 based on the actual loan portfolio for the year. CSPDCL claimed the interest on loan capital as Rs. 244.62 Crore for FY 2023-24.

Commission's View

It is observed that CSPDCL, has considered the opening normative loan balance for FY 2023-24 as Rs. 2247.45 Crore, as against Rs. 2247.72 Crore approved as closing normative loan balance for FY 2022-23.

Further, the Commission has observed that there is discrepancy in 'interest expenses' stated as Rs. 238.76 Crore in Table 19 of the Petition and Rs. 238.24 Crore in the

Excel Formats. CSPDCL submitted in its reply dated 22nd January 2025, that Rs. 238.76 Crore mentioned in Petition Table 19 is typographical error and Rs. 238.24 Crore mentioned in Excel Format is correct. CSPDCL has also confirmed that the Interest on Loan of Rs. 244.62 Crore mentioned in Table 19 has been arrived at after considering the interest expense as Rs. 238.24 Crore only.

The closing net normative loan approved in final True-up for FY 2022-23 has been considered as opening net normative opening loan for FY 2023-24. Loan addition during FY 2023-24 has been considered based on the approved capitalisation and funding for FY 2023-24, 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 computation for the applicable interest rate for each source of loan and the computation of weighted average rate of interest for FY 2023-24. In its reply dated 22nd January 2025, CSPDCL submitted that average loan outstanding during FY 2023-24 is Rs. 1710.62 Crore, comprising of loans with interest rates varying between 10.50% to 11.00%, and weighted average interest rate of 10.80%. CSPDCL submitted the corresponding computations in support of its claim. Hence, the Commission has accepted CSPDCL's submission and considered the actual weighted average interest rate as 10.80% for FY 2023-24, based on the interest expenses paid against the outstanding debt. The Other Finance Charges have been allowed as Rs. 6.38 Crore as per actuals, as claimed by CSPDCL.

The interest expense approved after true-up for FY 2023-24 is shown in the Table below:

Table 8-21: Approved Interest Expenses for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Opening Net Normative Loan	1,616.37	2,247.45	2,247.72
Repayment during the year	293.11	399.23	393.97
Normative loan addition during the year	62.80	316.16	321.34
Closing Net Normative Loan	1,386.06	2164.39	2175.10
Average Normative loan during the year	1,501.21	2205.92	2211.41
Weighted Average Rate of Interest	9.96%	10.80%	10.80%
Interest Expenses	**149.52**	**238.76**	**238.83**
Add: Other Finance Charges	-	6.38	6.38
Total Interest on Loan	**149.52**	**244.62**	**245.22**

The Commission approves the Interest on Loan of Rs. 245.22 Crore after true-up for FY 2023-24, as shown in the Table above.

8.11 Interest on Working Capital

CSPDCL's Submission

CSPDCL submitted that Interest on Working Capital (IoWC) has been computed as per Regulation 26(1)(e) of the MYT Regulations, 2021. For computation of working capital requirement, CSPDCL has considered O&M expenses for 15 days, maintenance spares @ 20% of R&M expenses, and one month of receivables equal to one month of revenue from sale of power. CSPDCL has considered the actual sanctioned interest rate of 9.16% for computing the IoWC in the truing up for FY 2023-24.

CSPDCL submitted the normative IoWC as Rs. 163.89 Crore for FY 2023-24.

Commission's View

The normative IoWC has been computed in accordance with the MYT Regulations, 2021. The Commission has considered the revised normative O&M expenses for computing the working capital requirement. The maintenance spares have been considered as 20% of the revised normative M&G expenses. The receivables have been considered equivalent to 15 days of actual revenue from sale of electricity as per First Amendment of the MYT Regulations, 2023 as against CSPDCL's claim of one month's revenue from sale of electricity.

The interest rate for computing IoWC has been considered as 9.16%, based on the actual sanctioned interest rate, as submitted by CSPDCL. The normative IoWC approved in the true-up for FY 2023-24 is shown in the Table below:

Table 8-22: Approved IoWC for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
O&M Expenses for 15 days	99.62	63.88	65.65
Maintenance spares @ 20% of M&G expenses	70.87	77.16	73.16
Receivables equal to 15 days of revenue from sale of power	1,334.95	1,648.20	810.59
Total Working Capital	**1,505.44**	**1,789.24**	**949.40**
Rate of Interest (%)	9.00%	9.16%	9.16%
Interest on Working Capital requirement	**135.49**	**163.89**	**86.97**

The Commission approves the Interest on Working Capital of Rs. 86.97 Crore after true-up for FY 2023-24, as shown in the Table above.

8.12 Return on Equity

CSPDCL's Submission

CSPDCL has computed the Return on Equity (RoE) as per the capital structure proposed by CSPDCL and as per Regulation 17.1 of the MYT Regulations, 2021. CSPDCL has excluded consumer contribution, deposit work and grant from the asset addition during the year for computation of normative debt:equity. CSPDCL has considered rate of Return on Equity as 16% for FY 2023-24. CSPDCL also submitted that there has been variation in the capitalization projected at the time of MYT Order and as per the final audited accounts, which is reflected in the return on equity in final true up Petition.

CSPDCL has claimed Return on Equity of Rs. 423.31 Crore for FY 2023-24.

Commission's View

The RoE has been computed in accordance with Regulation 17 of the MYT Regulations, 2021. The Commission has considered the closing permissible equity approved in the true-up for FY 2022-23, as the opening permissible equity for FY 2023-24. The equity portion of the additional capitalisation for FY 2023-24 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 2023-24 is shown in the Table below:

Table 8-23: Approved RoE for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Permissible Equity in Opening GFA	2,241.57	2,577.94	2,577.94
Permissible Equity in Closing GFA	2,268.48	2,713.44	2,715.66
Average Equity during the year	2,255.03	2,645.69	2,646.80
Rate of Return (%)	16.00%	16.00%	16.00%
Return on Equity	**360.80**	**423.31**	**423.49**

The Commission approves Return on Equity of Rs. 423.49 Crore after true-up for FY 2023-24, as shown in the Table above.

8.13 Non-Tariff Income

CSPDCL's Submission

CSPDCL submitted Non-Tariff Income (NTI) of Rs. 438.46 Crore for FY 2023-24 based on the Audited Accounts, comprising Rs. 110.13 Crore towards Non-Tariff income and Rs. 328.33 Crore towards revenue from Meter Rent, Wheeling Charges, and Parallel Operation Charges.

Commission's View

The Commission has considered the actual Non-Tariff income for FY 2023-24 based on the audited accounts as shown in the Table below:

Table 8-24: Approved Non-Tariff Income for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Non-Tariff Income		110.13	110.13
Wheeling Charges, Open Access & CSS		101.95	101.95
Parallel Operation Charges		173.75	173.75
Meter rent		50.57	50.57
Reactive Energy Charges		2.07	2.07
Total Non-Tariff Income	**185.43**	**438.46**	**438.46**

The Commission approves Non-Tariff Income of Rs. 438.46 Crore after true-up for FY 2023-24.

8.14 Aggregate Revenue Requirement

CSPDCL has submitted revised ARR including impact of APTEL Judgment on CSD issue of Rs. 96.24 Crore vide reply dated 25.04.2025, stating that it had inadvertently missed claiming the same in ARR of FY 2023-24 and requested the Commission to consider the claim of Rs 96.24 Crore on account of Impact of APTEL Judgment on CSD issue.

The summary of ARR approved after the True-up for FY 2023-24, based on the approved values of different components of the ARR, is shown in the Table below:

Table 8-25: Approved ARR for FY 2023-24 (Rs. Crore)

Sl.	Particulars	Tariff Order	Petition	True-up
A	**Gross Power Purchase Expenses**	**15,825.91**	**19,959.62**	**19,058.14**
1	Power Purchase Cost	13,922.34	17,755.22	16,934.96
2	Inter-State Transmission Charges	724.69	1,198.60	964.70
3	Intra-State Transmission Charges	1,155.61	996.82	1,146.95
4	CSLDC Charges	19.55	8.99	11.54
B	**Operation & Maintenance Expenses**	**2,430.81**	**2,587.26**	**2,520.89**
1	Net Employee Expenses	1,308.04	1,168.50	1,236.17
2	Net A&G Expenses	92.42	78.99	72.23
3	Net R&M charges	261.95	444.57	444.10
4	Pension & Gratuity	768.40	895.21	768.40
C	**Interest & Finance Expenses**	**285.01**	**408.52**	**332.18**
1	Interest on Loan	149.52	244.62	245.22
2	Interest on Working Capital Requirement	135.49	163.89	86.97
D	**Other Expenses**	**657.43**	**822.54**	**817.45**
1	Depreciation	296.63	399.23	393.97
2	Return on Equity	360.80	423.31	423.49
E	**Gain/(Loss) on Efficiency**	**-**	**(260.25)**	**(268.39)**
1	Gain/(Loss) on Sharing O&M Efficiency	-	(91.83)	(107.75)
2	Gain/(Loss) on account of Distribution Losses	-	(168.42)	(160.64)
F	**Less: Non-Tariff Income**	**185.43**	**438.46**	**438.46**
1	Non-Tariff Income	185.43	110.13	110.13
2	Wheeling Charges, Open Access & Cross Subsidy Charges, POC, Meter rent	-	328.33	328.33
G	**Impact of APTEL Judgement on CSD issue**	**96.24**	***96.24**	**96.24**
H	**Aggregate Revenue Requirement**	**19,106.25**	**23,175.46**	**22,118.06**

Note: The revenue from sale of surplus power and UI sale have been considered under Revenue, in the true-up for FY 2023-24

* Impact of APTEL Judgment on CSD issue of Rs. 96.24 Crore is included in CSPDCL claimed ARR for FY 2023-24 as submitted by CSPDCL in its additional submission

8.15 Revenue from Sale of Power

CSPDCL's Submission

CSPDCL submitted the total revenue from sale of power as Rs. 22,242.97 Crore for FY 2023-24 as per Audited Accounts, including the revenue of Rs. 2,464.54 Crore from sale of surplus power.

Commission's View

The Commission notes that CSPDCL has submitted the revenue from sale of power to various categories as Rs. 19,778.44 Crore for FY 2023-24. The Commission has verified the revenue from sale of power to various categories as Rs. 19,778.44 Crore for FY 2023-24 based on the audited accounts of FY 2023-24.

As per the methodology adopted in previous Tariff Orders, the Commission has considered the actual revenue of Rs. 2,464.54 Crore on account of sale of surplus power as reported in the Audited Accounts, under revenue in the true-up for FY 2023-24.

Further, the Commission observes that the actual Average Billing Rate (ABR) realised for Agriculture category continues to be lower than the approved ABR.

CSPDCL was asked in the preliminary data gap regarding the difference in the approved and actual energy charged for agriculture consumers to which CSPDCL replied 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 pump sets, respectively. This anomaly in capping of consumption is leading to the under-recovery of revenue against this category. The additional units consumed are neither being billed nor has revenue demand been booked against these units. As these units are unbilled due to limit of the scheme, CSPDCL has been regularly claiming subsidy from the State Government against the additional units consumed, CSPDCL submitted that from FY 2016-17 to FY 2023-24, CSPDCL has claimed total Subsidy of Rs. 3809.42 Crore from the State Government, though no amount has been received so far.

In response to the Commission's query, CSPDCL submitted the year-wise break-up of the subsidy claimed from the State Government in this regard, as shown in the table below:

S.No.	Year	Letter reference no.	Amount claimed (Rs. Crore)
1	2016-17	153 Dtd. 22.05.2019	246.78
2	2017-18	153 Dtd. 22.05.2019	274.81
3	2018-19	861 Dtd. 02.12.2019	449.07
4	2019-20	265 Dtd. 10.07.2020	400.01
5	2020-21	435 Dtd. 26.08.2021	639.47
6	2021-22	1147 Dtd. 13.02.2023	400.06
7	2022-23	907 Dtd. 20.11.2023	727.89
8	2023-24	786 Dtd. 29.10.2024	671.33
Total			**3809.42**

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.

CSPDCL should firmly take up this issue with the State Government.

Accordingly, the Commission has considered the additional revenue against the agriculture category equal to the subsidy claimed by CSPDCL from the State Government in this regard, i.e., Rs. 671.33 Crore.

In view of the above, the Commission has considered the amount of Rs. 671.33 Crore as an additional revenue, while approving the final true-up for FY 2023-24.

The Commission has accordingly considered total Revenue for FY 2023-24 as shown in the Table below:

Table 8-26: Approved Revenue for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Petition	True-up
Revenue from Retail Sale of Electricity	19,032.47	19,778.44	19,778.44
Add: Additional revenue for Agriculture Metered category			671.33
Add: Revenue from sale of Surplus Power		2,464.54	2,464.54
Total Revenue from Sale	**19,032.47**	**22,242.97**	**22,914.30**

The Commission approves total revenue of Rs. 22,914.30 Crore after true-up for FY 2023-24, including the revenue from sale of surplus power.

8.16 Revenue Gap/(Surplus)

CSPDCL's Submission

In its original Petition, CSPDCL had claimed a standalone Revenue Gap of Rs. 836.24 Crore for FY 2023-24. Further, after considering the adjustment of past Revenue Gap/(Surplus) and the associated carrying cost, Revenue Gap/(Surplus) after true-up for FY 2023-24 for CSPGCL and CSPTCL, CSPDCL has submitted the cumulative Revenue Gap at the end of FY 2023-24 as Rs. 5,603.23 Crore. However, CSPDCL vide reply dated 25.04.2025 submitted the revised Revenue Gap/surplus Table as below:

Table 8-27: Revised Revenue Gap/(Surplus) for FY 2023-24 as submitted by CSPDCL (Rs. Crore)

Sr No.	Particulars	Tariff Order Dated 28.3.2023	CSPDCL FY 2023-24
1	Aggregate Revenue Requirement	17,228.31	*23,175.46
2	Revenue from Sale of Power	19,032.47	22,242.97
3	**Standalone Revenue Gap/(Surplus)**	**(1,804.16)**	**932.49**
4	Add: Standalone Revenue Gap/(surplus)		932.49
5	Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPGCL	538.04	538.04

Sr No.	Particulars	Tariff Order Dated 28.3.2023	CSPDCL FY 2023-24
6	Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPTCL	51.24	51.24
7	Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSLDC	(2.55)	(2.55)
8	Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPDCL, including impact of Review Petition	4,321.46	4,321.46
9	Reduce excess provisioning for RPO in FY 2016-17 & FY 2017-18 with carrying cost	(179.50)	(179.50)
10	**Closing Revenue Gap/(Surplus)**	2,924.53	5,661.18
11	Gap Adjusted in FY 2023-24	-	-
12	**Net Closing Gap**	2,924.53	5,661.18
13	**Adjusted ARR**	20,152.84	28,836.64
14	Rate of Interest (%)		9.16%
15	Carrying /(Holding) cost		42.71
16	**Total Closing Revenue Gap/(Surplus) at end of the year**	**2,924.53**	**5,703.89**

Note: ** Included Impact of APTEL Judgment on CSD issue of Rs. 96.24 Crore*

Commission's View

The Commission has considered the ARR approved for CSPDCL after true-up for FY 2023-24 and the Revenue approved in the earlier Sections of this Chapter, to compute the Revenue Gap/(Surplus) for FY 2023-24. 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 2023-24, for correct computation of the Revenue Gap/(Surplus) after true-up. The Revenue Gap/(Surplus) after true-up for FY 2023-24 for CSPGCL, CSPTCL, and CSLDC have been considered while approving the Revenue Requirement of CSPDCL for FY 2025-26 (as elaborated in the next Chapter), along with the associated carrying/(holding) cost as per usual practice, rather than including the same in the true-up Revenue Gap/(Surplus) of CSPDCL for FY 2023-24. There is zero impact of Review Petition as approved in this Order, based on the reasoning elaborated in the previous Chapter of this Order.

Further, the Commission has considered the revised ARR and revised Revenue Gap/(surplus) submission by CSPDCL in the Table below.

The summary of Revenue Gap/(Surplus) approved after true-up of FY 2023-24 for CSPDCL is shown in the Table below:

Table 8-28: Approved Revenue Gap/(Surplus) for FY 2023-24 (Rs. Crore)

Sl. No.	Particulars	Tariff Order	Petition	True-up
1	Net ARR	17,228.31	23,175.46	22,118.06
2	Revenue from Sale of Power	19,032.47	22,242.97	22,914.30
3	**Standalone Revenue Gap/(Surplus)**	**(1,804.16)**	**932.49**	**(796.24)**

Sl. No.	Particulars	Tariff Order	Petition	True-up
4	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPGCL	538.04	538.04	538.04
5	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPTCL	51.24	51.24	51.24
6	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSLDC	(2.55)	(2.55)	(2.55)
7	Add: Revenue Gap/(Surplus) carried forward from final true-up of FY 2021-22 for CSPDCL	4321.46	4321.46	4321.46
11	Less: excess provisioning for RPO in FY 2016-17 & FY 2017-18 with carrying cost	(179.50)	(179.50)	(179.50)
9	**Closing Revenue Gap/(Surplus)**	**2,924.53**	**5,661.18**	**3,980.45**
10	Rate of Interest (%)		9.16%	9.16%
11	Carrying/(Holding) cost		*42.71	-$
12	Total Closing Revenue Gap/(Surplus) at end of the year	**2,924.53**	**5703.89**	**3,980.45**

Note: **There is a computational error by CSPDCL in computation of carrying cost*

$ - The carrying cost has not been considered, as elaborated in the Chapter on ARR and Cumulative Gap/(Surplus) for FY 2025-26

The Commission approves cumulative Revenue Gap of Rs. 3,980.45 Crore at the end of FY 2023-24 for CSPDCL. This Revenue Gap has been adjusted against the ARR of CSPDCL for FY 2025-26, as discussed in subsequent Chapter.

9 DETERMINATION OF INPUT COAL PRICE AT GARE PALMA-III MINE END

9.1.1 Methodology followed in Petition

CSPGCL has relied on the provisions of the Act and the broad principles specified in the MYT Regulations, 2021 for preparation of the Petition for FY 2025-26.

CSPGCL submitted that it has appointed Gare Palma III Collieries Limited as the MDO through open competitive transparent bidding. The MDO charges payable to the MDO are governed as per the Agreement and there is certain price variation clause linked with certain indices. For the purpose of this Petition, latest available rates for FY 2024-25 have been considered.

CSPGCL submitted that crushing is in the scope of MDO. Similarly, the mine end transportation (Surface Transportation Charges or STC) is also in the MDO scope. CSPGCL submitted that bare reading of the first proviso of Regulation 54.1 indicates that transportation charge implies transportation up to the loading point associated with the integrated mine. Hence, in this Chapter, in order to avoid duplicity, no separate loading of transportation charge is included. The cost of transportation of coal from mine to the power plant (as is applicable in case of other plants too) is covered in the ARR section and in case any different interpretation is made then the transportation cost as submitted in the ARR section may be please be considered in this Chapter. On aggregate basis, such transposition would not make any material difference.

CSPGCL submitted that Statutory Charges like Royalty, DMF, NMET, Infrastructure development Cess, environment Cess,, etc. have been considered as per the relevant notifications. Impact of changes in the statutory charges and the transportation charges (from mine to power plant) may be allowed as pass through in the FCA. For the purpose of computation, the average Grade of coal has been considered in accordance to the previous two years Grade-wise coal dispatch. Further, the rates applicable for SECL coal of equivalent Grade have been considered for computation of applicable taxes. Leave is craved in this regard, for claiming additional relief, if the taxation authorities take some other view and issue additional tax invoices or any other tax (including GST) is imposed.

CSPGCL submitted that in case of other coal suppliers, any change in their cost due to various reasons is billed to Generating Companies immediately and any such variation is included in FCA. On similar lines, based on the operation of GP-III over last few years, it has been observed that various changes such as MDO, Forest Tax and FRP have seen variations due to statutory notification or based on contractual terms wherein changes are governed due to change in indices, hence, FCA may be modified accordingly.

CSPGCL submitted that Annual Target Quantity (ATQ) has been considered in accordance with the over ground capacity in the Mining Plan.

Also, Fixed Reserve Price (FRP) has undergone change and accordingly the latest available rate along with GST @18% has been considered in accordance with the notifications of Ministry of Coal, GOI.

Commission's View

Chapter 5 of the MYT Regulations, 2021 specifies the framework for determination of Input Price of coal and lignite from integrated mine. In accordance with these Regulations, in the present Order, the Commission has determined the Input Price of coal from GP-III coal mine for FY 2025-26 based on the submission by CSPGCL.

Based on the Input Price approved for coal from the integrated mine, the Commission has considered the landed price of coal from GP-III Mine for FY 2025-26 as discussed in the ARR Chapter of CSPGCL in this Order. The cost of transportation of coal from mine to the power plant is also covered in the ARR Chapter of CSPGCL in this Order.

As regards CSPGCL's submission on MDO charges, Statutory Charges and FRP, the same are dealt with by the Commission in the relevant Sections of this Chapter.

9.2 Capital Cost

CSPGCL's submission

CSPGCL submitted that the Capital Cost as approved by the Commission in its earlier Order dated February 28, 2023 in Petition No. 102 of 2022 and the latest Tariff Order for FY 2024-25 (True up of FY 2022-23) have been relied upon. Further, in accordance with the standard regulatory practice and philosophy, few additional components and adjustments have been considered.

CSPGCL submitted the components of the Additional Capital Cost prayed for approval in FY 2025-26 and the phasing of Expenditure till now, as shown in the Table below:

Table 9-1: Breakup of Capital Cost as per Investment Approval as submitted by CSPGCL

SN	Description	Scheme Cost	Up to FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	Land acquisition of village Bhalumar for Rehabilitation and resettlement (R &R) of project affected families of village Bajarmuda	**23.26**	-	23.26	-	-
2	One Time Settlement payment to PAPs in lieu of employment	**23.175**	5.78	2.43	14.98	(0.00)
3	Construction of Rest house, office building and other works	**7.61**	-	-	4.39	3.22
4	Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding	**2.65**	1.33	-	0.50	0.82
5	Tree felling (Payment to Forest Department)	**3.09**		1.09	1.00	1.00
6	Miscellaneous			0.02		
7	**Total**		**7.11**	**26.79**	**20.87**	**5.04**

The details of the Capital Expenditure have been detailed in the CIP of CSPGCL separately.

Commission's View

As regards the Capital Cost for integrated mine, Regulation 55 of the 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."*

Accordingly, the Commission has approved the Additional Capital Cost for GP-III coal mine as discussed below:

The Commission notes that the CIP Schemes proposed to be executed by CSPGCL in FY 2025-26 are all approved Schemes approved in previous Order of the Commission. CSPGCL has also asked for approval of Scheme for establishing private railway siding, rerouting of Ghargoda-Pelma railway line and Drilling of Boreholes for capital expenditure in FY 2025-26. CSPGCL has stated that these Schemes are subject to Statutory / Government clearances.

The Commission has discussed these Schemes in detail in the CIP Order. As provided in the same, the Commission will true up based on actuals after prudence check.

Hence, for determination of input price of coal from GP-III mine, the Commission considers Additional Capitalisation of Rs. 5.04 Crore provisionally.

Capital Cost and Capitalisation

The Capital Cost and Capitalisation approved provisionally for FY 2025-26 have been shown in the following Table:

Table 9-2: Provisionally Approved Capital Cost and Capitalisation for GP-III Mines for FY 2025-26 (Rs. Crore)

Particulars	FY 2025-26
One-Time Settlement payment to PAPs in lieu of employment	(0.00)
Construction of Rest house, office building and other works	3.22
Construction of Approach Road from Gharghoda - Chhal Main Road to Ghargoda Railway Siding	0.82
Tree felling (Payment to Forest Department)	1.00
Total	**5.04**

Means of Finance

As regards the means of finance, the Commission notes that CSPGCL has considered normative debt:equity ratio of 70:30. Accordingly, the Commission has considered the normative debt: equity ratio of 70:30 for GP-III mines.

The funding of the provisional capitalisation approved by the Commission is shown in the following Table:

Table 9-3: Provisionally Approved Funding of Additional Capitalisation for GP-III Mines for FY 2025-26 (Rs. Crore)

Particulars	FY 2025-26
Debt	3.53
Equity	1.51
Total	**5.04**

9.3 Mining Plan

CSPGCL's submission

CSPGCL submitted that the Mining Plan for the GP- III coal block was prepared by the prior allottee, i.e., GIDC, and approval was accorded to the same by the Ministry of Coal, GoI vide its letter No. 13016/57/2009-CA-I dated May 17, 2010. As per the approved Mining Plan, the peak rated quantity is 4.0 MTPA from opencast mining and 1.0 MTPA from underground mining. Since, currently, mining is carried out from open cast mining only and the Capital / revenue cost considered is also for Overground mine only, hence, coal production is considered as 4 MTPA.

As submitted in previous Petitions and recognized in the previous Orders, the quantity extracted from the GP III Mines may not be sufficient for meeting the normative PLF specified in the MYT Regulations, 2021 for ABVTPP. CSPGCL may have to make arrangements for the shortfall of coal through alternate arrangements like flexi scheme of Coal India/ Auction / Import. CSPGCL craves leave for approval of such alternate arrangement with impact on cost of coal as pass through as and when the same occurs.

Commission's View

The Commission notes that CSPGCL has calculated the Input Price of coal from GP-III mines based on the ATQ as per the Mining Plan approved by the Ministry of Coal, GoI. CSPGCL has also submitted that the coal supplied from GP-III mine may not be sufficient for meeting the normative PLF specified in the MYT Regulations, 2021 for ABVTPS and it may have to rely on other alternatives like coal auction/import to meet the demand for coal, thereby impacting the cost of coal. The Commission has taken cognizance of the same and directs CSPGCL to submit the required details and justification in this regard, along with the Tariff Petition as and when such arrangements are undertaken.

9.4 Computation of Input Price of Coal

CSPGCL's submission

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

> *"**52. Input Price of coal:***
>
> *52.1 Input price of coal or lignite from the integrated mine(s) shall be determined based on the following components:*
>
> *I) Run of Mine (ROM) Cost; and*
>
> *II) Additional charges:*
>
> *a. crushing charges.*
>
> *b. transportation charge within the mine up to the washery end or coal handling plant associated with the integrated mine, as the case may be;*
>
> *c. handling charges at mine end;*
>
> *..."*

Regulation 53.2 of the MYT Regulations, 2021 specifies as under:

> *"53.2. Run of Mine Cost of coal in case of integrated mine allocated through allotment route under Coal Mines (Special Provisions) Act, 2015 shall be worked out as under:*
>
> *ROM Cost = [(Annual Extraction Cost / ATQ) + Mining Charge]+ (Fixed Reserve Price).*
>
> *Where,*
>
> *(i) Annual Extraction Cost is the cost of extraction of coal as computed in accordance with Regulation 36F of these regulations;*

(ii) Mining Charge is the charge per tonne of coal paid by the generating company to the Mine Developer and Operator engaged by the generating company for mining, wherever applicable; and

(iii) Fixed Reserve Price is the fixed reserve price per tonne along with subsequent escalation, if any, as provided in the Coal Mine Development and Production Agreement."

Further, Regulation 57 of the MYT Regulations, 2021 specifies the components of Annual Extraction Cost, as follows:

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

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

The Annual Extraction Cost for GP-III mines has been accordingly computed as elaborated below.

9.4.1 Depreciation

CSPGCL's submission

Depreciation has been calculated as per Regulation 25 of the MYT Regulations, 2021. Further, since CSPGCL owns only the mining rights for the GP-III mines, the depreciation rate on Mine Development Expenses, i.e., 5.17% have been considered as per the MYT Regulations, 2021. Further, since, the expense incurred on compliance of the statutory condition is in the form of FDR, which is not a depreciable asset, no depreciation has been claimed on the same.

The depreciation submitted by CSPGCL for FY 2025-26 is as under:

Table 9-4: Depreciation for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	FY 2025-26
Opening Capital Cost	874.04
Closing Capital Cost	879.08
Average Capital Cost	876.56
Depreciable Value (100%)	871.05
Rate of Depreciation	5.17%
Depreciation	**45.06**

Commission's View

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

"59. DEPRECIATION

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

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

Provided that,

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

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

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

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

Provided that the salvage value shall be:

i) zero for IT equipment and software;

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

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

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

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

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

For computation of depreciation, the Commission has considered the Capital Cost equal to closing capital cost of FY 2023-24 with estimated Capital Cost addition of Rs. 20.87 Crore in FY 2024-25 as considered by CSPGCL, as the opening Capital Cost of GP-III mine for FY 2025-26. Since, FDR is not a depreciable asset, no depreciation has been considered on the same. GFA Addition in FY 2025-26 has been considered as per the capitalisation allowed as discussed earlier.

CSPGCL in its submission dated 17 June 2025 has submitted actual capitalisation recorded from the SAP systems of CSPGCL for GP-III Mine of FY 2024-25 and prayed to the Commission to consider the actual Capitalisation of FY 2024-25 to compute opening GFA, Loan and Equity of FY 2025-26. The Commission is of the opinion that at this stage revising the GFA is not appropriate, as the final truing up of

FY 2024-25 is not being done in this Order. The Commission has considered the additional capitalisation of CSPGCL based on the remaining approval of capitalisation during FY 2024-25.. Any Gap/Surplus accrued due to variation with the Capitalisation considered by the Commission and actual Capitalisation approved after prudence check during true up can be recovered in the subsequent Tariff Order. Hence, the Commission has not considered the actual capitalisation recorded in the SAP systems of CSPGCL for FY 2024-25.

As CSPGCL owns only the mining rights for the GP-III mines, the Commission has considered the depreciation rate of 5% as specified in the MYT Regulations, 2021 for Mine Development Expenses, in line with the depreciation rate considered for FY 2023-24.

The depreciation approved by the Commission for FY 2025-26 is as under:

Table 9-5: Approved Depreciation for GP-III mines for FY 2025-26 (Rs. Crore)

Particulars	**Petition**	**Approved**
Opening GFA	874.04	874.04
Addition during the year	5.04	5.04
Closing GFA	879.08	879.08
Average GFA	876.56	876.56
Depreciable Value (100%)	871.05	871.05
Rate of Depreciation	5.17%	5.00%
Depreciation	**45.06**	**43.51**

9.4.2 Interest on Loan

CSPGCL's submission

The interest on loan has been calculated on normative basis by considering 70% of the capital cost as debt. CSPGCL has got loan sanctioned from the consortium of PFC and REC with both the lenders having 50% share of the amount of loan. As per the loan agreement terms, latest available interest rate of 8.88% for PFC and REC have been considered for calculating the interest on loan for FY 2025-26. As per the provisions of the MYT Regulations, 2021, the depreciation has been considered as normative repayment for FY 2025-26.

The interest on loan submitted by CSPGCL for FY 2025-26 is as under:

Table 9-6: Interest on Loan for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	**FY 2025-26**
Opening Loan	452.62
Addition of Loan	3.53
Repayment during the Year	45.06
Closing Loan	411.08
Average Loan	431.85
Interest Rate	8.88%

Particulars	FY 2025-26
Interest on Loan	**38.35**

Commission's View

Regulations 24 and 58 of the MYT Regulations, 2021 specify the method of computation of Interest and Finance charges on loan capital. The Commission has considered the closing normative loan for FY 2023-24 as opening normative Loan for FY 2024-25. The addition to loan in FY 2024-25 has been considered equal to 70% of the estimated GFA addition (Rs. 20.87 Crore) as considered by the Commission earlier. The resultant closing loan of FY 2024-25 has been considered as opening normative Loan for FY 2025-26. The addition of loan during FY 2025-26 has been considered equal to debt portion of capitalisation as approved in this Order.

The approved depreciation for the year has been considered as normative loan repayment during the year.

For FY 2025-26, the rate of interest of 8.88% has been accepted as submitted by CSPGCL.

The interest on loan has been computed on the normative average loan of the year as shown in the Table below:

Table 9-7: Approved Interest on Loan for GP-III mines FY 2025-26 (Rs. Crore)

Particulars	Petition	Approved
Opening Loan	452.62	455.64
Addition of Loan	3.53	3.53
Repayment during the Year	45.06	43.51
Closing Loan	411.08	415.66
Average Loan	431.85	435.65
Interest Rate	8.88%	8.88%
Interest on Loan	**38.35**	**38.69**

9.4.3 Return on Equity

CSPGCL's submission

RoE has been calculated in terms of Regulation 23.1 read with Regulation 17 of the MYT Regulations, 2021. The normative equity has been considered as 30% of the capital cost and the 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 the MYT Regulations, 2021. This base rate of RoE has been further grossed up with the current MAT Rate (including surcharge), i.e., 17.472%.

The RoE submitted by CSPGCL for FY 2025-26 is as under:

Table 9-8: RoE for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	FY 2025-26
Opening Equity	289.43
Addition of Equity	5.59
Closing Equity	295.02
Average Equity	292.23

Particulars	FY 2025-26
Rate of RoE	14.00%
MAT Rate	17.472%
Effective Rate of RoE	16.96%
Return on Equity	**49.57**

Commission's View

Regulations 23 and 58 of the CSERC MYT Regulations, 2021 specify the method of computation of RoE. The Commission has considered the closing equity of GP-III mine approved in the true up of FY 2023-24 as the opening equity for FY 2024-25 . The addition of equity during FY 2024-25 has been considered equal to equity portion of capitalised works as estimated in this Order. The closing equity for FY 2024-25 thus computed, has been considered as opening equity for FY 2025-26. The equity addition for FY 2025-26 has been considered equal to equity portion of capitalisation as approved in this Order.

Further, rate of return of 14% has been considered for FY 2025-26 on the average permissible equity base during the year as per the MYT Regulations, 2021. Further, in line with the approach adopted in previous Tariff Orders the rate of RoE has not been grossed up with the MAT rate, and the RoE rate of 14% has been considered for the purpose of approving RoE for FY 2025-26. The Commission shall allow the Income Tax on actual basis at the time of Truing-up of FY 2025-26.

Accordingly, the Return on Equity has been approved for GP-III mines for FY 2025-26, as under:

Table 9-9: Approved RoE for GP-III mines for FY 2025-26 (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	262.21	262.21
Addition of Equity	1.51	1.51
Closing Equity	263.72	263.72
Average Equity	262.97	262.97
Rate of Return on Equity	17.47%	14.00%
Return on Equity	**44.61**	**36.82**

9.4.4 Operation and Maintenance Expenses

CSPGCL's submission

CSPGCL submitted that for the purpose of this Petition, the O&M expenses have been provisionally considered as 15% of the MDO charges payable during the year, in accordance with the principle adopted by the Commission in the MYT Order. The details of the actual O&M expenses shall be submitted at the time of truing up of FY 2025-26. Further, CSPGCL submitted that it will comply with the Commission's direction and actual O&M expenses will be claimed without any sharing of gains / losses at the time of truing up. The O&M expenses submitted by CSPGCL for FY 2025-26 are as under:

Table 9-10: O&M Expenses for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	FY 2025-26
MDO Charges	354.37
O&M Expenses as % of MDO Charges	15.00%
O&M Expenses	**53.16**

However, CSPGCL later through submission dated 7th April, 2025 revised its claim for O&M charges. CSPGCL has now claimed O&M Expenses based on the Actual O&M Expense of FY 2023-24 and escalated the same by the escalation factor of 5.25% after considering the increased coal production in FY 2025-26.

Hence, revised O&M Expenses claimed by CSPGCL for FY 2025-26 are as under:

Table 9-11: Revised O&M Expenses for GP-III mines for FY 2025-26 as submitted by CSPGCL

Particulars	Unit	FY 2025-26
Actual O&M Expense of FY 2023-24 (Rs. Crore)	A	16.13
Actual Coal Quantity of FY 2023-24 (MMT)	B	3.76
Coal Quantity projected for FY 2025-26 (MMT)	C	4.00
Escalation Factor Considered	D	5.25%
O&M Expenses (Rs. Crore)	**E=(A/B*C*(1+D)^2**	**18.99**

Commission's View

Regulation 60 of the MYT Regulations, 2021 specifies as under:

> ***"60. Operation and Maintenance (O&M) Expenses***
>
> *60.1. The O&M expenses in respect of integrated mine(s) of coal, shall be allowed based on the projected O&M Expenses for each year of the tariff period subject to prudence check by the Commission;*
>
> *Provided that the O&M expenses allowed under this clause shall be trued up yearly based on actual expenses.*
>
> *60.2. The O&M expenses for the tariff period ending on 31st March 2022 in respect of the integrated mine(s) of coal commissioned on or before 31st March 2022, shall be allowed at actual after prudence check.*
>
> *60.3. Where the development and operation of the integrated mine(s) is undertaken by the generating company by engaging Mine Developer and Operator, the Mining Charge of such Mine Developer and Operator shall not be included in O&M Expenses;*
>
> *Provided that if any additional liability arises on the Generating company due to any change in law which is not a pass through the mine developer, the same shall be pass through as additional O&M charges to the generating company.*
>
> *60.4. Where an agency other than Mine Developer and Operator is engaged by the generating company, through a transparent competitive bidding process, for crushing or transportation or handling or washing or any*

combination thereof, the annual charges of such agency shall be considered as part of O&M Expenses under this Regulation, subject to prudence check by the Commission."

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.

CSPGCL has projected O&M Expenses for FY 2025-26 based on actual O&M Expense per MMT of Coal of FY 2023-24 and escalated the O&M Expense by 5.25% twice to project the O&M Expense for FY 2025-26.

Considering that actual O&M expenses will be approved after prudence check by the Commission without any sharing of gains / losses at the time of truing up as per prevailing practice for the Control Period, the Commission has considered the methodology for projection of O&M Expenses for GP-III Coal mine for FY 2025-26 as proposed by CSPGCL.

Accordingly, the O&M expenses approved by the Commission for FY 2025-26 are as under:

Table 9-12: Approved O&M Expenses for GP-III mines for FY 2025-26

Particulars	Unit	Original Petition	Revised Petition	Approved
Actual O&M Expense of FY 2023-24 (Rs. Crore)	A		16.13	16.13
Actual Coal Quantity of FY 2023-24 (MMT)	B		3.76	3.76
Coal Quantity projected for FY 2025-26 (MMT)	C		4.00	4.00
Escalation Factor Considered	D		5.25%	5.25%
O&M Expenses (Rs. Crore)	**E=(A/B* C*(1+D)^2**	**53.16**	**18.99**	**18.99**

9.4.5 Interest on Working Capital

CSPGCL's submission

Interest on working capital has been calculated in line with the provisions of the clause 61 of the MYT Regulations, 2021, as reproduced below:

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

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

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

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."

CSPGCL submitted that the rate of interest on working capital has been considered in line with the provisions of the MYT Regulations, i.e., SBI one-year MCLR Rate as on September 1, 2024 plus 200 basis points, i.e., 10.95%.

The Interest on Working Capital submitted by CSPGCL for FY 2025-26 is as under:

Table 9-13: Interest on Working Capital for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	**FY 2025-26**
Input Price for 7 days of Stock	4.00
ATQ in Million Tonnes	12.73
Working Capital for Spares	7.97
Working Capital for O&M	2.18
Total Working Capital Requirement	22.89
Rate of Interest on WC	10.95%
Interest on WC	**2.51**

Commission's View

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

"61. Interest on Working Capital:

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

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

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

(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."

The Commission notes that in the reply to data gaps, CSPGCL has revised IoWC for GP-III mines as shown in the Table below:

Table 9-14: Revised Interest on Working Capital for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	FY 2025-26
Input Price for 7 days of Stock	4.00
ATQ in Million Tonnes	12.06
Working Capital for Spares	2.85
Working Capital for O&M	0.78
Total Working Capital Requirement	15.69
Rate of Interest on WC	10.95%
Interest on WC	**1.72**

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

The interest rate of 10.95% (MCLR Rate – one-year tenor of SBI as on September 30, 2024 plus 200 basis points) has been considered, for computing the Interest on Working Capital.

The Interest on Working Capital approved for FY 2025-26 is as under:

Table 9-15: Approved Interest on Working Capital for GP-III mines for FY 2025-26 (Rs. Crore)

Particulars	Original Petition	Revised Petition	Approved
ATQ in Million Tonnes	4.00	4.00	4.00
Input Price for 7 days of Stock	12.73	12.06	11.89
Working Capital for Spares	7.97	2.85	2.85
Working Capital for O&M	2.18	0.78	0.78
Total Working Capital Requirement	22.89	15.69	15.52
Rate of Interest on WC	10.95%	10.95%	10.95%
Interest on WC	**2.51**	**1.72**	**1.70**

9.4.6 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 have been considered for the purpose of calculation of Input Price of coal in this Petition.

Commission's View

In line with the submission of CSPGCL, the Commission has not considered Mine

Closure Expenses for GP-III mines for FY 2025-26.

9.4.7 Statutory Charges

CSPGCL's submission

CSPGCL submitted that the Statutory Charges have been considered as per various notifications/guidelines of the Ministry of Coal. CSPGCL submitted that the taxes as submitted in the true up section have been considered, however, leave is craved for additional submission in the matter regarding additional taxations as and when they come to the notice:

Table 9-16: Applicable Statutory Charges for GP-III mines for FY 2025-26 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	31.405 %	Rs.57/Tonne
GST on Royalty, DMF and NMET	18.00%	

Statutory charges submitted by CSPGCL for FY 2025-26 is as under:

Table 9-17: Effective Statutory Charges for GP-III mines for FY 2025-26 as submitted by CSPGCL

Particulars	Unit	FY 2025-26
Annual Target Quantity	MMT	4.00
Royalty	Rs Cr	37.18
DMF	Rs Cr	3.72
NMET Fund	Rs Cr	0.74
Environment Cess	Rs Cr	4.50
Infrastructure Development CESS	Rs Cr	4.50
Forest Tax	Rs Cr	7.16
GST on Royalty, DMF & NMET	Rs Cr	7.50
Total Statutory Charges/ Tonne (Excluding FRP)	**Rs Cr**	**65.30**
Total Statutory Charges/ Tonne (Excluding FRP)	Rs/Tonne	163.25

Commission's View

CSPGCL has submitted the copies of all relevant Government notifications for levy of Statutory Charges as claimed in the Petition. The Commission has verified the same.

Regulation 52.1 of the MYT Regulations, 2021 specifies that the Statutory charges, as applicable shall be allowed in Input Price of coal.

Statutory charges approved by the Commission for GP-III mines for FY 2025-26 are as under:

Table 9-18: Approved Rates of Statutory Charges for GP-III mines for FY 2025-26

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	31.405 %	Rs.57/Tonne
GST on Royalty, DMF and NMET	18.00%	

However, it is clarified that the compliance of the statutory provisions remains 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 9-19: Approved Statutory Charges for GP-III mines for FY 2025-26 (Rs. Crore)

Particulars	**Unit**	**Petition**	**Approved**
Annual Target Quantity	MMT	4.00	4.00
Royalty	Rs Cr	37.18	37.18
DMF	Rs Cr	3.72	3.72
NMET Fund	Rs Cr	0.74	0.74
Environment Cess	Rs Cr	4.50	4.50
Infrastructure Development CESS	Rs Cr	4.50	4.50
Forest Tax	Rs Cr	7.16	7.16
GST on Royalty, DMF & NMET	Rs Cr	7.50	7.50
Total Statutory Charges/ Tonne (Excluding FRP)	**Rs Cr**	**65.30**	**65.30**
Total Statutory Charges/ Tonne (Excluding FRP)	Rs/Tonne	163.25	163.25

9.4.8 Non-Tariff Income

CSPGCL's submission

CSPGCL submitted that the interest received on FDR of Rs. 110.20 Crore has been adjusted as a deduction from the AEC in the year it is received. The interest income considered as NTI for FY 2025-26 is shown in the Table below:

Table 9-20: NTI for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs./Tonne)

Particulars	FY 2025-26
NTI/ Interest Income	3.36

Commission's View

The Commission observes that in the reply to data gaps, CSPGCL has revised the NTI for FY 2025-26, on account of inadvertent computational error, as shown in the Table below:

Table 9-21: Revised NTI for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	FY 2025-26
NTI/ Interest Income	3.57

It is noted that CSPGCL has projected NTI based on actual Interest income of FY 2023-24 and escalated it with the escalation factor of 5.25%, while also considering the marginally higher coal production from FY 2023-24.

Considering that the shortfall or surplus would be adjusted in the true up of FY 2025-26, the Commission approves Non-Tariff Income of Rs. 3.57 Crore, as estimated by CSPGCL, as shown in the Table below:

Table 9-22: Approved NTI for GP-III mines for FY 2025-26 (Rs. Crore)

Particulars	Original Petition	Revised Petition	Approved
NTI/ Interest Income	3.36	3.57	3.57

9.4.9 MDO Charges

CSPGCL's submission

CSPGCL has appointed M/s. Gare Palma III Collieries Ltd. as MDO through open transparent competitive bidding process. As per Section 63 of the Electricity Act, 2003, Commission has considered the rates of MDO arrived at through transparent competitive bidding conducted by CSPGCL for selection of MDO.

CSPGCL submitted that as per Clause 27.2 of CMSA, the MDO charges are subject to price variation based on movement of certain indices, which are listed below:

Table 9-23: Indices submitted by CSPGCL

Index	Weightage
WPI	10%
CPI	20%
WPI-Tyres	10%

Index	Weightage
WPI- Matches, Explosive Chemicals	10%
WPI- Heavy Machinery	25%
WPI- HSD Coal	25%

The CMSA also states that the applicable price adjustment shall be governed by the escalation rates published by CERC for the captive mines. However, CERC has discontinued the publication of escalation index for coal from captive mines. Hence, the price adjustment shall be governed by the above indices only.

The MDO charges as claimed by CSPGCL for FY 2025-26 are as under:

Table 9-24: MDO Charges for GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs./Tonne)

Particulars	FY 2025-26
MDO Charges	885.93

Commission's View

As per Regulation 53.2 of the 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 provisional MDO charges for FY 2025-26 as submitted by CSPGCL for GP-III mines. Any adjustment required in the MDO charges based on movement of above indices shall be done at the time of true-up.

Accordingly, the approved MDO charges for FY 2025-26 are as shown below:

Table 9-25: Approved MDO Charges for GP-III mines for FY 2025-26 (Rs./Tonne)

Particulars	Petition	Approved
MDO Charges	885.93	885.93

9.4.10 Fixed Reserve Price

CSPGCL's submission

As mentioned in the true-up section, the Fixed Reserve Price for auction and allotment of coal mine/ blocks has been revised to Rs. 136.02/ tonne for coal blocks allocated to Government Companies for specified end use for FY 2024-25 and the same has been considered for estimating for FY 2025-26. GST is applicable on the same @18%. Accordingly, the FRP has been considered as Rs. 160.50/ tonne for the calculation of Input Price of coal. CSPGCL submitted that it is currently paying FRP based on the said rates, however, it will be subject to revision based on changes in WPI.

Commission's View

The Commission has verified the Notification of the Ministry of Coal, GoI specifying the Fixed Reserve Price of Rs. 136.02/MT, excluding GST. The Commission allows the Fixed Reserve Price of Rs. 160.50/MT for the calculation of Input Price of coal for FY 2025-26 in line with the Notification issued by the Ministry of Coal, GoI and considering the applicable GST.

9.4.11 Input Price of Coal

CSPGCL's submission

CSPGCL computed the Input Price of coal from GP-III mines for ABVTPS for FY 2025-26 as shown below:

Table 9-26: Input Price of Coal from GP-III mines for FY 2025-26 as submitted by CSPGCL

Particulars	Unit	FY 2025-26
Depreciation	Rs Cr.	45.06
Interest on Working Capital	Rs Cr.	2.51
Interest on Loan	Rs Cr.	38.35
Return on Equity	Rs Cr.	44.61
O&M Expenses excl. mining charge	Rs Cr.	53.16
Statutory Charges	Rs Cr.	65.30
Total Annual Extraction Cost	**Rs Cr.**	**248.99**
Annual Target Quantity (ATQ) as per mine plan	Million Tonnes	4
Annual Extraction cost per tonne	Rs/Tonne	622.46
Mining charge (MDO charges)	Rs/Tonne	885.93
Less -NTI (Interest Income)	Rs Cr.	3.36
Less - NTI Adjustment	Rs/ Tonne	8.93
Add-Fixed Reserve Price (incl. GST)	Rs/Tonne	160.50
Total Input Price	**Rs/Tonne**	**1659.97**

Commission's View

CSPGCL has revised the Input Price of coal from GP-III mines through its submission dated 7th April, 2025 as shown in the Table below:

Table 9-27: Revised Input Price of Coal from GP-III mines for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Particulars	Unit	FY 2025-26
Depreciation	Rs Cr.	45.06
Interest on Loan	Rs Cr.	38.35
Return on Equity	Rs Cr.	44.61
Interest on Working Capital	Rs Cr.	1.72
O&M Expenses excl. mining charge	Rs Cr.	18.99
Statutory Charges	Rs Cr.	65.30
Total Annual Extraction Cost	**Rs Cr.**	**214.04**
Annual Target Quantity (ATQ) as per mine plan	Million Tonnes	4.00
Annual Extraction cost per tonne	Rs/Tonne	535.09

Particulars	Unit	FY 2025-26
Mining charge (MDO charges)	Rs/Tonne	885.93
Less -NTI (Interest Income)	Rs Cr	3.57
Less - NTI Adjustment	Rs/ Tonne	8.93
Add-Fixed Reserve Price (incl. GST)	Rs/Tonne	160.50
Total Input Price	**Rs/Tonne**	**1572.60**

Based on various components of expense and income discussed above, the approved Input Price of coal from GP-III mines for ABVTPS for FY 2025-26 is given in the following Table:

Table 9-28: Approved Input Price of Coal from GP-III mines for the Fy 2025-26 (Rs. Crore)

Particulars	Unit	Original Petition	Revised Petition	Approved
Depreciation	Rs Cr.	45.06	45.06	43.51
Interest on Loan	Rs Cr.	38.35	38.35	38.69
Return on Equity	Rs Cr.	44.61	44.61	36.82
Interest on Working Capital	Rs Cr.	2.51	1.72	1.70
O&M Expenses excl. mining charge	Rs Cr.	53.16	18.99	18.99
Statutory Charges	Rs Cr.	65.30	65.30	65.30
Total Annual Extraction Cost	**Rs Cr.**	**248.99**	**214.04**	**205.00**
Annual Target Quantity (ATQ) as per mine plan	Million Tonnes	4	4.00	4.00
Annual Extraction cost per tonne	Rs/Tonne	622.46	535.09	512.51
Mining charge (MDO charges)	Rs/Tonne	885.93	885.93	885.93
Less -NTI (Interest Income)	Rs Cr	3.36	3.57	3.57
Less - NTI Adjustment	Rs/ Tonne	8.93	8.93	8.93
Add-Fixed Reserve Price (incl. GST)	Rs/Tonne	160.50	160.50	160.50
Total Input Price	**Rs/Tonne**	**1659.97**	**1572.60**	**1550.02**

Hence, the Commission has approved total Input price of coal from GP-III Mine for FY 2025-26 as Rs. 1550.02 / Tonne

10 ARR AND GENERATION TARIFF OF CSPGCL FOR FY 2025-26

10.1 Background

CSPGCL submitted that the Petition for Determination of Aggregate Revenue Requirement (ARR) for CSPGCL's conventional thermal and hydro power plants for FY 2025-26 has been prepared in accordance with the provisions of the Act and by adopting the broad principles specified in MYT Regulations, 2021.

10.2 Generation Capacity of Existing Generating Stations

The details of the existing generating stations for FY 2025-26 are shown in the Table below:

Table 10-1: 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	Atal Bihari Vajpayee Thermal Power Station (ABVTPS), Janjgir Champa	2x500 = 1000 MW
5	Mini Mata Hasdeo Bango Hydro Electric Station (HBHPS)	3x40=120 MW

10.3 Norms of Operation for CSPGCL Generating Stations

CSPGCL's Submission

The plant-wise normative operational Parameters have been considered same as approved for FY 2024-25 in accordance with the MYT Regulations, 2021.

Table 10-2: Normative Operational Parameters for FY 2025-26 for HTPS, DSPM, KWTPP and ABVTPS as submitted by CSPGCL

Sl. No.	Norms of Operation	HTPS	DSPM	KWTPP	AVBTPS
1	PAF (%)	76.50%	85.00%	85.00%	85%
2	Auxiliary Consumption (%)	9.70%	9.00%	5.25%	5.25%
3	Sp. Oil Consumption (ml/kWh)	0.80	0.50	0.50	0.50
4	Station Heat Rate (kcal/kWh)	2650	2430	2390	2390
5	Transit Loss (%)	0.20%	0.20%	0.20%	0.998%

Table 10-3: Normative Operational Parameters for FY 2025-26 for Hasdeo Bango HEP as submitted by CSPGCL

Sl. No.	Particulars	Hasdeo Bango HEP
1	Design Energy (MU)	274
2	Auxiliary Consumption (%)	1.20%

Commission's View

The norms of operation for the conventional generation plants of CSPGCL have been specified in the MYT Regulations, 2021 for the MYT Control Period. The Commission notes that no normative parameters have been specified for any of CSPGCL's plants for FY 2025-26. CSPGCL, in the Petition has considered the normative parameters considered for FY 2024-25 as applicable for FY 2025-26 also, in the absence of any direction by the Commission. The Commission is of the opinion that it is appropriate to consider normative parameters specified for FY 2024-25 for computing Tariff of FY 2025-26 also, in the absence of norms being specified for FY 2025-26 in the MYT Regulations, 2021, as the Regulations were originally applicable till FY 2024-25 only. The Commission has thus, considered operating parameters of the plants applicable for FY 2024-25 to be applicable for FY 2025-26, as proposed by CSPGCL.

CSPGCL has submitted the gross generation of 274 MU for HBPS, which is equal to the design energy of the plant approved for the earlier Control Period. The same has been accepted. The auxiliary consumption for Hasdeo Bango has been considered in accordance with Regulation 44 of the MYT Regulations, 2021.

The normative operational parameters approved by the Commission for the generating stations of CSPGCL for FY 2025-26 are shown in the Tables below:

Table 10-4: Approved Normative Operational Parameters for FY 2025-26 for HTPS, DSPM, KWTPP and ABVTPS

Sl. No.	Norms of Operation	HTPS	DSPM	KWTPP	AVBTPS
1	PAF (%)	76.50%	85.00%	85.00%	85%
2	Auxiliary Consumption (%)	9.70%	9.00%	5.25%	5.25%
3	Sp. Oil Consumption (ml/kWh)	0.80	0.50	0.50	0.50
4	Station Heat Rate (kCal/kWh)	2650	2430	2390	2390
5	Transit Loss (%)	0.20%	0.20%	0.20%	0.998%

Table 10-5: Approved Normative Operational Parameters for FY 2025-26 for Hasdeo Bango HEP

Sl. No.	Particulars	Hasdeo Bango HEP
1	Design Energy (MU)	274
2	Auxiliary Consumption (%)	1.20%

10.4 Generation from CSPGCL Generating Stations

CSPGCL's Submission

CSPGCL has projected gross and net generation for FY 2025-26 for thermal and hydro stations based on installed capacity and projected NAPAF and auxiliary consumption.

Commission's View

The generation for FY 2025-26 has been approved on the basis of installed capacity, approved NAPAF and normative auxiliary consumption. The station-wise gross generation and net generation for FY 2025-26 approved is summarised in the following Table:

Table 10-6: Approved Gross Generation and Net Generation (MU)

Particulars	FY 2025-26
Gross Generation	
HTPS	5629.18
DSPM	3723.00
KWTPP	3723.00
ABVTPS	7446.00
HBPS	274.00
Net Generation	
HTPS	5,083.15
DSPM	3,387.93
KWTPP	3,527.54
ABVTPS	7,055.09
HBPS	270.71

10.5 Energy Charges

10.5.1 GCV and Price of Fuel

CSPGCL's Submission

CSPGCL submitted that as per Regulation 45.5 of the MYT Regulations, 2021, energy charges include Primary Fuel, i.e., Coal cost, and Secondary Fuel, i.e., Oil Cost. CSPGCL has computed the cost of Coal and Oil taking into account the normative transit losses.

Regarding coal cost of FY 2025-26, CSPGCL submitted that generally latest three months' data before start of the year for which tariff is being determined, is relied upon, however, coal quality and mix (SECL and GP III), changes from time to time. Hence, coal cost has been considered based on actual weighted average coal price (on normative transit loss) and GCV for complete FY 2023-24.

CSPGCL, through its submission dated 7th April, 2025, submitted the revised oil cost and coal cost for FY 2025-26 based on actuals of December 2024, January 2025 and February 2025.

CSPGCL also submitted that it has revised its Oil cost computation mechanism for FY 2025-26. Previously, it was based on then available latest 3-month data of HSD/HFO/LDO mix. However, now all plants are switching over to LDO in place of HFO and HSD. Accordingly, the table is now revised considering consumption of LDO only. Therefore, the rate of LDO based on latest Price Schedule dated December 20, 2024 for the three Govt. owned oil majors has been considered. Hence, for oil cost computation of FY 2025-26, price of oil has been considered as Rs. 70010.07/kL

Regulation 45.11 and Regulation 93 of the MYT Regulations, 2021 allow for recovery of the variation in the coal cost.

The landed price of primary fuel, i.e., coal, for various stations considered by CSPGCL is summarised in the following Tables:

Table 10-7: Landed Cost of Coal submitted by CSPGCL for HTPS and KWTPP

Sl. No.	Particulars	Unit	HTPS and KWTPP			
			Dec-24	Jan-25	Feb-25	Total
1	Quantity Supplied by SECL	MT	5,22,834.00	6,41,384.00	6,25,925.00	17,90,143.00
2	Transit & Handling Loss RR to Plant	%	0.2%	0.2%	0.2%	0.2%
3	Net Coal Received	MT	5,21,788.33	6,40,101.23	6,24,673.15	17,86,562.71
4	Amount Charged by Coal Company	Rs Cr	95.73	117.44	114.61	327.77
5	Rate Charged by Coal Company	**Rs/MT**	**1834.64**	**1834.64**	**1834.64**	**1834.64**
6	Transportation charges (LDCC)	Rs Cr	5.29	6.40	5.29	16.99
7	Transportation Charge	**Rs/MT**	**101.35**	**100.02**	**84.76**	**95.07**
8	Coal Sampling Charges (Loading end)	**Rs/Ton**	1.75	1.75	1.75	1.75
9	Coal Sampling Charges (Receiving end)	**Rs/Ton**	1.33	1.33	1.33	1.33
10	**Rate of Coal**	**Rs/MT**	**1939.08**	**1937.74**	**1922.49**	**1932.80**

Table 10-8: Landed Cost of Coal submitted by CSPGCL for DSPM

Sl. No.	Particulars	Unit	DSPM			
			Dec-24	Jan-25	Feb-25	Total
1	Coal Quantity (Rakes recd at Plant)	MT	3,36,392	1,14,417	2,42,601	6,93,410
2	Transit & Handling Loss RR to Plant	%	0.20%	0.20%	0.20%	0.20%

Sl. No.	Particulars	Unit	DSPM			
			Dec-24	Jan-25	Feb-25	Total
3	Net Coal Received	MT	**3,35,719**	**1,14,188**	**2,42,116**	6,92,023
4	Amount Charged by Coal Company	Rs Cr	65.23	20.67	44.37	130.27
5	Rate Charged by Coal Company	Rs/MT	**1,942.89**	**1,809.84**	**1,832.75**	**1,882.40**
6	Rail transportation Charge	Rs Cr	10.60	2.98	8.24	21.82
7	Other Charges including OWS	Rs Cr	0.88	0.95	0.56	2.39
8	Total Transportation Charges	Rs Cr	11.48	3.93	8.80	24.21
9	Transportation Charge rate	Rs/MT	**341.89**	**344.21**	**363.52**	**349.84**
10	Coal sampling charges (Loading end)	Rs/MT	1.75	1.75	1.75	1.75
11	Coal sampling charges (Unloading end)	Rs/MT	2.28	2.28	2.28	2.28
12	Rate of Coal at Normative Transit & Handling Loss	Rs/MT	**2,288.81**	**2,158.08**	**2,200.30**	**2,236.27**

Table 10-9: Landed Cost of Coal submitted by CSPGCL for ABVTPS from coal of GP-III mine

Sl. No.	Particulars	Unit	ABVTPS - GP-III			
			Dec-24	Jan-25	Feb-25	Total
1	Rate Charged by company (According to the CSPGCL Petition)	Rs./Ton	1572.6			
2	Transit & Handling Loss RR to Plant	%	0.998%			
3	**Effective Rate Charged by company (A)**	**Rs./Ton**	**1588.45**			
4	Rail transportation Charge	Rs Cr	10.07	16.83	17.19	44.09
5	Road Transportation Charges	Rs Cr	17.01	28.83	30.79	76.63
6	Total Transportation Charges	Rs Cr	27.08	45.66	47.98	120.72
7	Quantity of Coal	MT	2,59,370.64	4,37,258.03	4,57,548.61	11,54,177.28
8	**Transportation Charge rate (B)**	**Rs/MT**	**1044.06**	**1044.26**	**1048.63**	**1045.95**
9	Other Charges	Rs/MT	**5.57**	**5.57**	**5.57**	**5.57**
10	coal sampling charges (Loading end)	Rs/MT	1.75	1.75	1.75	1.75

Sl. No.	Particulars	Unit	ABVTPS - GP-III			
			Dec-24	Jan-25	Feb-25	Total
11	Coal sampling charges (Unloading end)	Rs/MT	2.15	2.15	2.15	2.15
12	**Total Additional Charges/ MT (c)**	Rs/MT	**9.47**	**9.47**	**9.47**	**9.47**
13	**Rate of Coal at Normative Transit & Handling Loss (D=A+B+C)**	Rs/MT	**2641.99**	**2642.18**	**2646.55**	**2643.87**

Table 10-10: Landed Cost of Coal submitted by CSPGCL for ABVTPS from coal of SECL

Sl. No.	Particulars	Unit	ABVTPS-SECL			
			Dec-24	Jan-25	Feb-25	Total
1	RR Quantity (Rakes recd at Plant)	MT	1,87,309.62	1,46,358.47	68478.97	**402147.06**
2	Transit & Handling Loss RR to Plant	%	0.80%	0.80%	0.80%	**0.80%**
3	Net Coal Received	MT	1,85,811.14	1,45,187.60	67,931.14	**398929.88**
4	Amount Charged by Coal Company	Rs Cr	46.83	35.11	15.53	**97.48**
5	**Rate Charged by Coal Company**	**Rs/MT**	**2520.49**	**2418.45**	**2286.61**	**2443.53**
6	Rail transportation Charge	Rs Cr	9.07	6.96	3.21	19.24
7	Road Transportation Charges	Rs Cr				
8	Total Transportation Charges	Rs Cr	9.07	6.96	3.21	19.24
9	Quantity of Coal	MT	1,87,309.62	1,46,358.47	68478.97	**402147.06**
10	**Transportation Charge rate**	**Rs/MT**	**484.12**	**475.56**	**469.21**	**478.47**
11	Other Charges	Rs/MT	**5.57**	**5.57**	**5.57**	**5.57**
12	coal sampling charges (Loading end)	Rs/MT	1.75	1.75	1.75	1.75
13	Coal sampling charges (Unloading end)	Rs/MT	2.15	2.15	2.15	2.15
14	Total Additional Charges/ MT	Rs/MT	**9.47**	**9.47**	**9.47**	**9.47**
15	**Rate of Coal at Normative Transit & Handling Loss**	Rs/MT	**3014.08**	**2903.48**	**2765.29**	**2931.46**

Thus, CSPGCL has projected that the entire production of coal from GP-III mine (4 MMT) would be utilised in ABVTPS. Hence, effective price of coal for ABVTPS has been computed as below:

Table 10-11: Normative Coal Requirement and Per Ton Cost for FY 2025-26

Particulars	Unit	Amount
Coal Required (as determined subsequently)	MT	50,68,747
Coal Qty GP-III	MT	40,00,000
Addl. Coal required from SECL	MT	10,68,747
Landed coal cost of ABVTPS considering both GP-III and SECL coal	**Rs/MT**	**2,704.51**

The GCV considered by CSPGCL based on data from December 2024 to February 2025 is provided as below:

Table 10-12: Applicable GCV for FY 2025-26 as submitted by CSPGCL

Sl. No.	Particulars	Unit	Applicable GCV for each of the plant projected for FY 2025-26			
			Dec-24	Jan-25	Feb-25	Effective
1	**HTPS**	**kcal/kg**	3481.73	3618.62	3520.90	**3544.47**
2	**DSPM**	**kcal/kg**	3348.92	3361.00	3454.30	**3387.78**
3	**KWTPP**	**kcal/kg**	3481.73	3618.62	3520.90	**3544.47**
4	**ABVTPS**	**kcal/kg**	**3503.57***			

*as ABVTPS coal primarily comes from GP-III Coal mine and depending upon the seam in working, huge variation in GCV may be experienced. Hence, for projection, CSPGCL has considered actual GCV of FY 2023-24.

Commission's View

The Commission noted that in the Petition, CSPGCL has computed fuel cost in the Petition considering the landed price of fuel and GCV based on the procurement details of FY 2023-24, i.e., April 2023 to March 2024, as shown in the Tables above. Further, in response to the Commission's query, CSPGCL submitted the landed price of fuel and GCV details for December 2024 to February 2025 and revised its submission, as detailed above.

The Commission notes that CSPGCL intends to move to LDO fully for meeting its secondary fuel requirement. The Commission approves oil cost as submitted by CSPGCL.

For computation of variable cost, the revised Price and GCV of Fuel as submitted by CSPGCL for the period from December 2024 to February 2025 have been considered. The landed price of primary fuel, i.e., coal, for various stations considered by the Commission is summarised in the following Tables:

Table 10-13: Landed Cost of Coal considered by the Commission for HTPS and KWTPP for FY 2025-26

Sl. No.	Particulars	Unit	HTPS and KWTPP			
			Dec-24	**Jan-25**	**Feb-25**	**Total**
1	Quantity Supplied by SECL	MT	5,22,834.00	6,41,384.00	6,25,925.00	17,90,143.00
2	Transit & Handling Loss RR to Plant	%	0.2%	0.2%	0.2%	0.2%
3	Net Coal Received	MT	5,21,788.33	6,40,101.23	6,24,673.15	17,86,562.71
4	Amount Charged by Coal Company	Rs Cr	95.73	117.44	114.61	327.77
5	Rate Charged by Coal Company	**Rs/MT**	**1834.64**	**1834.64**	**1834.64**	**1834.64**
6	Transportation charges (LDCC)	Rs Cr	5.29	6.40	5.29	16.99
7	Transportation Charge	**Rs/MT**	**101.35**	**100.02**	**84.76**	**95.07**
8	Coal Sampling Charges (Loading end)	**Rs/Ton**	1.75	1.75	1.75	1.75
9	Coal Sampling Charges (Receiving end)	**Rs/Ton**	1.33	1.33	1.33	1.33
10	**Landed cost at Plant end**	**Rs/MT**	**1939.08**	**1937.74**	**1922.49**	**1932.80**

Table 10-14: Landed Cost of Coal considered by the Commission for DSPM for FY 2025-26

Sl. No.	Particulars	Unit	DSPM			
			Dec-24	**Jan-25**	**Feb-25**	**Total**
1	Coal Quantity (Rakes recd at Plant)	MT	3,36,392	1,14,417	2,42,601	6,93,410
2	Transit & Handling Loss RR to Plant	%	0.20%	0.20%	0.20%	0.20%
3	Net Coal Received	MT	**3,35,719**	**1,14,188**	**2,42,116**	6,92,023
4	Amount Charged by Coal Company	Rs Cr	65.23	20.67	44.37	130.27
5	Rate Charged by Coal Company	Rs/MT	**1,942.89**	**1,809.84**	**1,832.75**	**1,882.40**
6	Rail transportation Charge	Rs Cr	10.60	2.98	8.24	21.82
7	Other Charges including OWS	Rs Cr	0.88	0.95	0.56	2.39
8	Total Transportation Charges	Rs Cr	11.48	3.93	8.80	24.21
9	Transportation Charge rate	Rs/MT	**341.89**	**344.21**	**363.52**	**349.84**
10	Coal sampling charges	Rs/MT	1.75	1.75	1.75	1.75

Sl. No.	Particulars	Unit	DSPM			
			Dec-24	Jan-25	Feb-25	Total
	(Loading end)					
11	Coal sampling charges (Unloading end)	Rs/MT	2.28	2.28	2.28	2.28
12	**Landed cost at Plant end**	Rs/MT	**2,288.81**	**2,158.08**	**2,200.30**	**2,236.27**

Table 10-15: Landed Cost of Coal considered by the Commission for ABVTPS from GP-III coal mine for FY 2025-26

Sl. No.	Particulars	Unit	ABVTPS - GP-III			
			Dec-24	Jan-25	Feb-25	Total
1	Rate Charged by company (According to the CSPGCL Petition)	Rs./Ton				1550.02
2	Transit & Handling Loss RR to Plant	%				0.998%
3	**Effective Rate Charged by company (A)**	**Rs./Ton**				**1565.64**
4	Rail transportation Charge	Rs Cr	10.07	16.83	17.19	44.09
5	Road Transportation Charges	Rs Cr	17.01	28.83	30.79	76.63
6	Total Transportation Charges	Rs Cr	27.08	45.66	47.98	120.72
7	Quantity of Coal	MT	2,59,370.64	4,37,258.03	4,57,548.61	11,54,177.28
8	**Transportation Charge rate (B)**	**Rs/MT**	**1044.06**	**1044.26**	**1048.63**	**1045.95**
9	Other Charges	Rs/MT	**5.57**	**5.57**	**5.57**	**5.57**
10	coal sampling charges (Loading end)	Rs/MT	1.75	1.75	1.75	1.75
11	Coal sampling charges (Unloading end)	Rs/MT	2.15	2.15	2.15	2.15
12	**Total Additional Charges/ MT (c)**	Rs/MT	**9.47**	**9.47**	**9.47**	**9.47**
13	**Landed cost at Plant end at Normative Transit & Handling Loss (D=A+B+C)**	Rs/MT	**2619.18**	**2619.37**	**2623.74**	**2621.06**

Table 10-16: Landed Cost of Coal considered by the Commission for ABVTPS for SECL coal

Sl. No.	Particulars	Unit	ABVTPS-SECL			
			Dec-24	Jan-25	Feb-25	Total
1	RR Quantity (Rakes recd at Plant)	MT	1,87,309.62	1,46,358.47	68478.97	**402147.06**
2	Transit & Handling Loss RR to Plant	%	0.80%	0.80%	0.80%	**0.80%**
3	Net Coal Received	MT	1,85,811.14	1,45,187.60	67,931.14	**398929.88**
4	Amount Charged by Coal Company	Rs Cr	46.83	35.11	15.53	**97.48**
5	**Rate Charged by Coal Company**	**Rs/MT**	**2520.49**	**2418.45**	**2286.61**	**2443.53**
6	Rail transportation Charge	Rs Cr	9.07	6.96	3.21	19.24
7	Road Transportation Charges	Rs Cr				
8	Total Transportation Charges	Rs Cr	9.07	6.96	3.21	19.24
9	Quantity of Coal	MT	1,87,309.62	1,46,358.47	68478.97	**402147.06**
10	**Transportation Charge rate**	**Rs/MT**	**484.12**	**475.56**	**469.21**	**478.47**
11	Other Charges	Rs/MT	**5.57**	**5.57**	**5.57**	**5.57**
12	coal sampling charges (Loading end)	Rs/MT	1.75	1.75	1.75	1.75
13	Coal sampling charges (Unloading end)	Rs/MT	2.15	2.15	2.15	2.15
14	Total Additional Charges/ MT	Rs/MT	**9.47**	**9.47**	**9.47**	**9.47**
15	**Landed cost at Plant end at Normative Transit & Handling Loss**	Rs/MT	**3014.08**	**2903.48**	**2765.29**	**2931.46**

Hence, the effective coal cost/MT considered by Commission for ABVTPS is provided as below:

Table 10-17: Approved Normative Coal Requirement and Per Tonne Cost for FY 2025-26

Particular	Unit	Amount
Coal Required (as determined subsequently)	MT	50,68,747
Coal Qty GP-III	MT	40,00,000
Addl. Coal required from SECL	MT	10,68,747
Landed coal cost of ABVTPS considering both GP-III and SECL coal	**Rs/MT**	**2,686.51**

As regards GCV of coal, the Commission has considered GCV as submitted by CSPGCL.

Table 10-18: GCV of coal considered by Commission for FY 2025-26

Sl. No.	Particulars	GCV
1	HTPS	3544.47
2	DSPM	3387.78
3	KWTPP	3544.47
4	ABVTPS	3503.57

10.5.2 Variable Cost and Energy Charges

CSPGCL's Submission

CSPGCL has computed fuel cost and energy charges based on norms of operation submitted in the Petition and GCV and Price of Fuel considered in the Petition as shown in the Tables below:

Table 10-19: Variable Cost for FY 2025-26 as submitted by CSPGCL

Sl. No.	Particulars	Unit	HTPS	DSPM	KWTPP	ABVTPS
1	Coal Cost	Rs. Crore	781.40	571.73	466.53	1345.22
2	Oil Cost	Rs. Crore	33.37	13.33	13.80	26.30
3	Total Fuel Cost	Rs. Crore	814.77	585.06	480.32	1,371.51
4	Net Generation	MU	5083.15	3387.93	3527.54	7055.09
5	**Energy Charges**	**Rs./kWh**	**1.603**	**1.727**	**1.362**	**1.944**

Commission's View

As regards the computation of energy charges, the MYT Regulations, 2021 specifies as under:

"45.5 The energy charge shall cover the fuel cost (primary fuel as well as secondary fuel), and shall be payable by every beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on ex-power plant basis, at the energy charge rate of the month. Total Energy charge payable to the generating company for a month shall be:

(Energy charge rate in Rs./kWh) x {Scheduled energy (ex-bus) for the month in kwh.}

Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined up to three decimal places in accordance with the following formulae for coal based stations:

ECR= [{(GHR- SFC x CVSF) x LPPF/ CVPF}+ SFC x LPSFi] x 100 /(100-AUX) Where,

AUX = Normative auxiliary energy consumption in percentage.

CVPF=(a) Gross calorific value of primary fuel as received at generating station, in kCal per kg, per litre or per standard cubic meter, as applicable after prudence check.

Provided where arrangements for taking samples for 'as received' basis is not in place, GCV of coal as received may be computed from GCV of coal "as billed"

Adjustment for total moistures shall be computed as per the CERC formula given as under:

GCV x (l-TM)/ (1-IM)

Where, GCV = Gross calorific value of coal

TM = Total Moisture

IM = Inherent Moisture

(b) Weighted Average Gross calorific value of coal as received, in kCal per kg for coal based stations less 85 Kcal/Ifu on account of variation during storage at generating station;

Provided that at the time of true-up the GCV of coal on account of variation during storage at generating station shall be allowed at maximum value of 85 Kcal/kg.

(c) In case of blending of fuel received through different sources, the weighted average Gross calorific value of primary fuel shall be arrived in proportion to blending ratio.

CVSF = Calorific value of secondary fuel, in kCal per ml.

ECR = Energy charge rate, in Rupees per kWh sent out.

GHR = Gross station heat rate, in kCal per kWh.

LPPF =Weighted average landed price of primary fuel, in Rupees per kg, per litre or per standard cubic meter, as applicable, during the month.

Provided that, in case of blending of fuel from different sources, the weighted average, landed cost of the primary fuel shall be arrived by considering the blending ratio.

Provided that, in case of primary fuel supply from integrated mines, the cost of fuel shall be computed in accordance with the regulations notified by CSERC. In the absence of State regulation, regulation notified by CERC shall be adopted.

SFC= Specific fuel oil consumption, in ml per kWh.

LPSFi: Weighted Average Landed Price of Secondary Fuel in Rs./ml considered initially

45.6 Though Secondary fuel cost shall be part of variable cost but shall not be part of Variable Cost Adjustment (VCA) formula. The impact on account of secondary fuel oil cost shall be taken care of at the time of true up.

45.7. Initially, the landed cost incurred by the generating company on secondary fuel oil shall be taken based on actual weighted average price of the three preceding months and in the absence of landed costs for the three preceding months, latest procurement price for the generating station, before the start of the year.

45.8. The secondary fuel oil expenses shall be subject to fuel cost adjustment at the end of the each year of tariff period, at the time of true up,

45.9. For reduction in cost of generation, Ministry of Power, Govt. of India has prescribed the methodology for use of transferred coal in Independent Power Producers (IPPs), generating unit for efficient utilization of domestic coal. Accordingly, the generation company, with prior approval of the Commission, shall be permitted to have flexibility in utilization of domestic coal and other resources for reducing the cost of power generation.

45.10 The landed cost of fuel for the month shall include price of fuel or input price. washery charges wherever applicable corresponding to the grade and quality of fuel, inclusive of royalty, taxes and duties as applicable, transportation cost by conveyer /rail / road or any other means, and, for the purpose of computation of energy charge, and in case of coal shall be arrived at after considering normative transit and handling losses as specified in Regulation 43.6.

Provided that cost of primary fuel or the landed cost of primary fuel as the case may be, procured through transparent competitive bidding process, the lowest rate discovered through such bidding shall be considered after adjusting for the account of quantity and quality.

Provided also that in case of coal-fired thermal generating station the Gross Calorific Value of primary fuel shall be considered on the basis of certificate/test report issued by reputed third party agency after prudence check. The expenses towards the third party testing shall be reimbursed by the beneficiaries.

45.11 The bi-monthly increase in the primary fuel cost shall be recovered as per the Fuel Cost Adjustment mechanism as per Regulation 93 of this Regulations."

As mentioned earlier, CSPGCL in reply to data gaps, has revised the landed price of fuel based on fuel prices and GCV of fuel from December 2024 to February 2025 except for ABVTPSwhere GCV is considered based on actuals of FY 2023-24. Thus, CSPGCL has also revised the fuel cost and variable cost for thermal stations as shown below:

Table 10-20: Revised Variable Cost for FY 2025-26 as submitted by CSPGCL

Sl. No.	Particulars	Unit	HTPS	DSPM	KWTPP	ABVTPS
1	Coal Cost	Rs. Crore	810.99	595.96	484.19	1370.85
2	Oil Cost	Rs. Crore	31.53	13.03	13.03	26.06
3	Total Fuel Cost	Rs. Crore	842.51	608.99	497.22	1396.91
4	Net Generation	MU	5083.15	3387.93	3527.54	7055.09
5	**Energy Charges**	**Rs./kWh**	**1.657**	**1.798**	**1.410**	**1.980**

The Commission has considered the revised fuel cost and variable cost for thermal stations submitted by CSPGCL as shown in the above Table for the purpose of comparison.

The Commission has computed the variable cost for each generating station for FY 2025-26 by considering the norms of operation and GCV and Price of Fuel as approved.

During FY 2025-26, the changes in primary fuel cost shall be recovered by CSPGCL as per Fuel Cost Adjustment specified in Regulation 93 of the MYT Regulations, 2021 and the formats as provided in the MYT Order.

The summary of approved Generating Station-wise cost of Primary Fuel and Secondary Fuel and energy charges as submitted by CSPGCL and as approved are shown in the following Tables:

Table 10-21: Approved Variable Cost for FY 2025-26

Sl. No.	Particulars	Unit	HTPS	DSPM	KWTPP	ABVTPS
Original Petition						
1	Coal Cost	Rs. Crore	781.40	571.73	466.53	1345.22
2	Oil Cost	Rs. Crore	33.37	13.33	13.80	26.30
3	Total Fuel Cost	Rs. Crore	814.77	585.06	480.32	1,371.51
4	Net Generation	MU	5083.15	3387.93	3527.54	7055.09
5	**Energy Charges**	**Rs./kWh**	**1.603**	**1.727**	**1.362**	**1.944**
Revised Petition						
1	Coal Cost	Rs. Crore	810.99	595.96	484.19	1370.85
2	Oil Cost	Rs. Crore	31.53	13.03	13.03	26.06
3	Total Fuel Cost	Rs. Crore	842.51	608.99	497.22	1396.91
4	Net Generation	MU	5083.15	3387.93	3527.54	7055.09
5	**Energy Charges**	**Rs./kWh**	**1.657**	**1.798**	**1.410**	**1.980**
Approved by Commission						
1	Coal Cost	Rs. Crore	810.99	595.96	484.19	1361.72
2	Oil Cost	Rs. Crore	31.53	13.03	13.03	26.06
3	Total Fuel Cost	Rs. Crore	842.51	608.99	497.22	1,387.79
4	Net Generation	MU	5083.15	3387.93	3527.54	7055.09
5	**Energy Charges**	**Rs./kWh**	**1.657**	**1.798**	**1.410**	**1.967**

The difference is due to marginally lower input price of coal approved by the Commission in the previous Chapter.

Table 10-22: Variable Cost for FY 2025-26

S. No.	Particulars	Unit	HTPS		DSPM		KWTPP		ABVTPS	
			Petition	Approved	Petition	Approved	Petition	Approved	Petition	Approved
1	Rated Capacity	MW	840	840	500	500	500	500	1000	1,000
2	Target Availability (PLF)	%	76.50%	76.50%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
3	Gross Generation	MU	5629.18	5629.18	3723.00	3723.00	3723.00	3723.00	7446.00	7446.00
4	Net Generation	MU	5083.15	5083.15	3387.93	3387.93	3527.54	3527.54	7055.09	7055.09
5	Gross Station Heat Rate (SHR)	kcal/kWh	2650.00	2650.00	2430.00	2430.00	2390.00	2390.00	2390.00	2390.00
6	Specific Fuel Oil Consumption (SFC)	ml/ kWh	0.80	0.80	0.50	0.50	0.50	0.50	0.50	0.50
7	Gross Calorific Value of Primary Fuel (CVPF)	kcal/Kg	3544.47	3544.47	3387.78	3387.78	3544.47	3544.47	3503.57	3503.57
8	Calorific Value of Secondary Fuel (CVSF)	kcal/L	10000.00	10000	10000.00	10000.00	10000.00	10000.00	10000.00	10000
9	Overall Heat	G Cal	14917316	14917316	9046890.00	9046890.00	8897970.00	8897970.00	17795940	17795940
10	Heat from Oil	G Cal	45033.41	45033	18615.00	18615.00	18615.00	18615.00	37230.00	37230
11	Heat from Coal	G Cal	14872282	14872283	9028275.00	9028275.00	8879355.00	8879355.00	17758710	17758710
12	Projected Oil Consumption	kL	4503.34	4503.34	1861.50	1861.50	1861.50	1861.50	3723.00	3723.00
13	Projected Coal Consumption	MT	4195909	4195909	2664952.12	2664952.12	2505127.75	2505127.75	5068747.02	5068747
14	Specific Coal Consumption	kg/kWh	0.75	0.75	0.72	0.72	0.67	0.67	0.68	0.68
15	Weighted Average Landed Price of Primary Fuel (LPPF)	Rs./MT	1932.80	1932.80	2236.27	2236.27	1932.80	1932.80	2704.51	2686.51
16	Weighted Average Landed Price of Secondary Fuel	Rs. / kL	70010.07	70010.07	70010.07	70010.07	70010.07	70010.07	70010.07	70010.07
17	Coal Cost	Rs. Crore	810.99	810.99	595.96	595.96	484.19	484.19	1370.85	1,361.72
18	Oil Cost	Rs. Crore	31.53	31.53	13.03	13.03	13.03	13.03	26.06	26.06
19	Total Fuel Cost	Rs. Crore	842.51	842.51	608.99	608.99	497.22	497.22	1396.91	1,387.79
20	**Energy Charges for Coal**	**Rs./kWh**	1.595	1.595	1.759	1.759	1.373	1.373	1.943	1.930
21	**Energy Charges for Oil**	**Rs./kWh**	0.062	0.062	0.038	0.038	0.037	0.037	0.037	0.037
22	**Total ECR**	**Rs./kWh**	1.657	1.657	1.798	1.798	1.410	1.410	1.980	1.967

10.6 Annual Fixed Charges

Regulations 36 and 37 of the MYT Regulations, 2021 specify the components of Tariff and Annual Fixed Charges for Generation Stations as under:

*"**36. COMPONENTS OF TARIFF***

36.1. The tariff for supply of electricity from a thermal generating station shall comprise two parts, namely, capacity charge (for recovery of annual fixed cost consisting of the components specified in Regulation 37) and energy charge (for recovery of fuel cost).

36.2. The tariff for supply of electricity from a hydro generating station shall comprise composite capacity charge and energy charge to be derived in the manner specified in Regulation 46, (consisting of the components referred in Regulation 37).

37. ANNUAL FIXED CHARGES

37.1. The annual fixed cost (AFC) of a generating station shall consist of the following components:

(1) Return on equity;

(2) Interest and finance charges;

(3) Depreciation;

(4) Interest on working capital;

(5) O&M expenses;

- *a. HR expenses;*
  - *(i) Employee expenses;*
  - *(ii) Impact of Pay revision*
  - *(iii) Manpower deployed on outsourcing basis;*
- *b. M&G expenses;*

(6) Pension & Gratuity fund contribution

<u>Less</u>:

(7) Non Tariff Income

(8) Income from other business, to the extent specified in regulation 42 of this Regulation.

NOTE:

1. *Non-Tariff Income as specified in the Regulation 41, shall be subtracted from the sum of above (a to e) to arrive at AFC.*
2. *The SLDC charges shall be recovered in accordance with fees and charges determined in accordance with provisions of Chapter 9 of this regulation.*

3. *Pension & Gratuity Fund Contribution shall be recoverable in equal monthly instillments as may be determined by the Commission in the Tariff order.*
4. *The water charges, statutory taxes, duties and cess actually paid, shall be pass though.*

Provided that Depreciation, Interest and finance charges on Loan Capital, Interest on Working Capital and Return on Equity for Thermal and Hydro Generating Stations shall be allowed in accordance with the provisions specified in Chapter 3 of this Regulation."

The Annual Fixed Charges for CSPGCL's Generating Stations for FY 2025-26 have been accordingly computed as described below.

10.6.1 Capital Cost and Additional Capitalisation

CSPGCL's Submission

CSPGCL submitted that Opening GFA for FY 2025-26 for all the plants has been computed from the closing GFA for FY 2023-24 and the Capital schemes approved in main CIP Order for the Control Period, Additional CIP Order for FY 2024-25, and Spill over schemes considered in the CIP Petition filed separately. In addition, the difference in the opening GFA on 01.04.22 as envisaged in the MYT Order and as per actual determined has also been accounted for to arrive at the Opening GFA for FY 2025-26 and the additional capitalization has been considered in accordance with CIP for the period.

CSPGCL submitted that as the liabilities are not a subject matter of projection and a matter of reality which can be assessed only when they actually arise, hence, at the time of initial Tariff determination, estimation of liabilities serve no purpose. Otherwise too, in such estimation as creation and discharge both may appear, hence, no effective purpose tends to be served. As such no such estimation has been factored in the Petition. Opening equity and normative loan have also been derived in the similar manner.

Commission's View

As regards GFA addition for FY 2024-25, the Commission noted that CSPGCL has considered the total carry forward works of previous Control Period that have not still been completed in FY 2022-23 and FY 2023-24, remaining Additional Capitalisation approved for the Control Period from FY 2022-23 to FY 2024-25 and additional capitalisation approved subsequently. The Commission notes that for reasons detailed in the true up portion of this order, Additional capitalisation for FY 2023-24 of HTPS has been provisionally considered as Nil with leave for filing of the same along-with True up for FY 24-25 and corresponding impact on Debt and Equity. The Commission notes that the additional capitalisation considered by CSPGCL for this purpose is net of the decapitalisation during the year. However, the Commission is of the opinion that such Decapitalisation should not be considered for computing remaining approved additional capitalisation for FY 2024-25, as the Additional Capitalisation approved by the Commission does not factor in the decapitalisation. Hence, the Commission has considered nil Additional capitalisation for HTPS in FY 2024-25 as CSPGCL has exhausted its approval of Capitalisation, which is to be done in FY 2024-25. Accordingly, the Depreciation, Interest on Loan and RoE for HTPS has been adjusted by the Commission for computation of Tariff for FY 2025-26.

CSPGCL in its submission dated 17 June 2025 had submitted actual capitalisation recorded from the SAP systems of CSPGCL of FY 2024-25 and prayed to the Commission to consider the actual Capitalisation of FY 2024-25 to compute opening GFA, Loan and Equity of FY 2025-26. The Commission is of the opinion that revising the GFA at this stage is not advisable, as the Commission is not doing the final truing up for FY 2024-25 in this Order. The Commission has considered the additional capitalisation of CSPGCL based on the remaining approval of capitalisation during FY 2024-25.. Any Gap/Surplus accrued due to variation with the Capitalisation considered by the Commission and actual Capitalisation approved after prudence check during true up can be recovered in the subsequent years tariff Order. Hence, the Commission has not considered the actual capitalisation recorded in the SAP systems CSPGCL for FY 2024-25.

The Commission has considered and approved the opening GFA for FY 2024-25 equal to closing GFA approved in true-up of FY 2023-24 and additional capitalisation during FY 2024-25 as provided above. The Commission has accordingly arrived at the closing GFA for FY 2024-25, which has been considered as the opening GFA for FY 2025-26.

CSPGCL has filed a Petition for approval of Capital Investment Plan for FY 2025-26. The Commission has considered the additional capitalisation for CSPGCL generating stations for FY 2025-26, based on the Commission's Order dated 08.07.2025 on the CIP Petition filed by CSPGCL in petition no. 99 of 2024.

The additional capitalisation approved for FY 2025-26 is shown in the table as under:

Table 10-23: Approved Additional Capitalisation for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	4.45
2	DSPM	32.76
3	KWTPP	48.60
4	ABVTPS	64.14
5	HBPS	9.78
	Total Additional Capitalisation	**159.73**

The Commission notes that CSPGCL has not considered liabilities in the additional capitalization. The Commission has accepted the submission of CSPGCL for estimating the GFA/ capitalization on provisional basis for FY 2025-26.

10.6.2 Means of Finance

CSPGCL's Submission

CSPGCL submitted that the capital structure (Debt:Equity ratio) has been considered in accordance with the well settled methodology in the previous Orders. For HTPS, KWTPP, ABVTPP, DSPM and Hasdeo Bango, no actual debt has been drawn or is proposed to be drawn. Normative Debt:Equity ratio of 70:30 has been considered for the purpose of ARR computation.

Commission's View

CSPCGL has considered the Debt Equity ratio of 70:30 for the additional capitalisation proposed for FY 2025-26 for HTPS, DSPM, KWTPP, ABVTPS and Hasdeo Bango in accordance with Regulation 17 of the MYT Regulations, 2021. The Commission has considered the normative Debt Equity ratio for additional capitalisation for FY 2025-26.

10.6.3 Depreciation

CSPGCL's Submission

CSPGCL submitted that for the purpose of computation of depreciation for DSPM, depreciation rate is considered at same level as computed in True-Up for FY 2023-24.

As regards depreciation for KWTPP and ABVTPS, CSPGCL submitted that the 2nd proviso of Regulation 25.6 of the MYT Regulations, 2021, specifies as under:

> *"Provided that in those cases where the capital investment plan has been approved by the Commission and the depreciation rates as provided in this Regulation are insufficient for the repayment of loan, the rate of depreciation shall be decided by the Commission at the time of issuance of tariff order, subject to prudence check."*

CSPGCL submitted that the above provision is the same as provided in 2nd proviso of the Regulation 24.4 of MYT Regulations, 2015. The Commission in the Tariff Order for FY 2022-23 to FY 2024-25 dated April 13, 2022 read with the Tariff Order FY 2024-25 (true up for FY 2022-23) allowed depreciation for KWTPP and ABVTPS accordingly. As the enabling provision is same, CSPGCL has adopted the same methodology in the instant Petition.

For HTPS, though in the MYT Order, balance useful life was considered 3 years, in the Tariff Order for FY 2024-25 while carrying out the truing up for FY 2022-23, the Commission has considered balance useful life up to 2030 and accordingly the balance depreciable value was spread over 8 years period. Further, liberty was granted to CSPGCL for submission of update on the matter in the subsequent filings, if required. Accordingly, CSPGCL has followed the same principles for computing depreciation for FY 2025-26.

The depreciation submitted by CSPGCL for FY 2025-26 is as under:

Table 10-24: Depreciation for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	148.09
2	DSPM	130.92
3	KWTPP	255.67
4	ABVTPS	554.96
5	HBPS	2.17

Commission's View

Regulation 25 of the CSERC MYT Regulations, 2021 specifies as under:

"25. DEPRECIATION

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

25.2. Provided that the capital cost shall not include funds from grant or consumer contribution or deposit works received for funding of fixed asset as specified in Regulation 22.

25.3. The salvage value of the asset except for IT equipments and software used for SLDC business shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

25.4. Provided that, the salvage value for IT equipments and Software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

25.5. Land other than the land held under lease and the land for reservoir in case of hydro generating station and the land for ash-bund for thermal power stations shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. Subject to specific provisions, Land for integrated mine shall also be considered for depreciation.

25.6. Depreciation shall be calculated annually based on Straight Line Method and at rates as specified in Appendix-I to this regulation for the assets of the generating station, transmission system, distribution system and SLDC and Appendix -I (A) for integrated coal mine:

Provided that, in case of the existing projects, the balance depreciable value as on 01.04.2022 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2022 from the gross depreciable value of the assets.

Provided that in those cases where the capital investment plan has been approved by the Commission and the depreciation rates as provided in this Regulation are insufficient for the repayment of loan, the rate of depreciation shall be decided by the Commission at the time of issuance of tariff order, subject to prudence check.

Provided that in the case where additional capital investment is approved by the commission for a plant at the end of its useful life or after its useful life is already over, the recoverable depreciation in respect of additional capital investment, shall be spread over the balance projected physical life as submitted by the generation company or the licensee in the capital investment plan after prudence check by the Commission.

….

25.7. Depreciation shall be chargeable from the first year of commercial operation. The depreciation shall be computed on the average asset base during the year:

Provided that for the new generating station or unit, assets of transmission licensee or assets of distribution licensee or SLDC, as the case may be, the depreciation on such new assets shall be charged on day-wise pro-rata basis during the first year the asset has been declared under commercial operation. For subsequent years, the depreciation shall be computed on the average asset base during the year."

The Commission has considered the closing GFA for FY 2023-24 as approved in the true-up for FY 2023-24, as the opening GFA for FY 2024-25. As discussed in the previous section on additional capitalisation, GFA addition for FY 2024-25 has been considered equal to the net remaining approved Capitalisation with CSPGCL for each of the plants.

The Commission has considered the average depreciation rates for DSPM as approved in the True-up of FY 2023-24. As regards HTPS and Hasdeo Bango HEP, the depreciation has been computed on the basis of balance useful life in line with the approach adopted in previous Orders. As regards KWTPP and ABVTPS, the Commission in accordance with the provision specified in Regulation 25.6 of the MYT Regulations, 2021 has accepted the submission of CSPGCL. Since, the depreciation rates as provided in MYT Regulations, 2021 are insufficient for the repayment of loan, the Commission has considered the average depreciation rates of 6.03% and 5.86%, for KWTPP and ABVTPS for FY 2025-26, respectively, as submitted by CSPGCL, for meeting repayment obligations provisionally.

The depreciation as approved for FY 2025-26 is given in the following Tables:

Table 10-25: Approved Depreciation for HTPS (Rs. Crore)

Particulars	Petition	Approved
Opening GFA	769.80	727.17
Additional Capitalization	4.45	4.45
Closing GFA	774.25	731.62
Average GFA	772.03	729.39
Cost of Land	0.00	0.00
90% of GFA excluding Land	696.83	658.46
Previously Accumulated Depreciation	398.53	391.29
Balance Depreciable value	298.30	267.17
Balance years for recovery of Dep excluding investment on LE & ECS	5.00	5.00
Depreciation	**59.66**	**53.43**

Table 10-26: Approved Depreciation for DSPM (Rs. Crore)

Particulars	Petition	Approved
Opening GFA	2417.09	2417.09
Additional Capitalization	32.76	32.76
Closing GFA	2449.85	2449.85
Average GFA	2433.47	2433.47

Particulars	Petition	Approved
Average Rate of Depreciation	5.46%	5.46%
Depreciation	**132.98**	**132.98**

Table 10-27: Approved Depreciation for KWTPP (Rs. Crore)

Particulars	Petition	Approved
Opening GFA	3669.33	3669.33
Additional Capitalization	48.60	48.60
Closing GFA	3717.93	3717.93
Average GFA	3693.63	3693.63
Average Rate of Depreciation	6.03%	6.03%
Depreciation	**222.84**	**222.84**

Table 10-28: Approved Depreciation for ABVTPS (Rs. Crore)

Particulars	Petition	Approved
Opening GFA	8879.64	8879.64
Additional Capitalization	64.14	64.14
Closing GFA	8943.78	8943.78
Average GFA	8911.71	8911.71
Average Rate of Depreciation	5.86%	5.86%
Depreciation	**522.34**	**522.34**

Table 10-29: Approved Depreciation for HBPS (Rs. Crore)

Particulars	Petition	Approved
Opening GFA	131.63	131.63
Additional Capitalization	9.78	9.78
Closing GFA	141.41	141.41
Accumulated Depreciation up to last year	127.27	127.27
90% of Gross Block	85.62	85.62
Amount Left to be Depreciated	41.64	41.65
Remaining Life	10.00	10.00
Depreciation	**4.16**	**4.16**

10.6.4 Return on Equity

CSPGCL's Submission

CSPGCL submitted that the RoE for FY 2025-26 has been computed as per Regulation 23 of the MYT Regulations, 2021. CSPGCL has submitted that according to Explanatory Memorandum (EM) of the draft CSERC MYT Regulations, 2024, the

RoE Rate has been considered 15.5% grossed up with applicable tax rate. CSPGCL submitted that in the EM, the Commission has provided the rationale for revising the RoE rate to 15.5% for the Generating Company and Transmission Business, i.e., at the same level as specified in CERC (Terms and Conditions of Tariff) Regulations, 2024, in accordance with Rule 20 of Electricity (2^{nd} Amendment) Rules, 2023 notified by the MoP, which stipulates that the RoE has to be specified at the same level as specified by CERC. As CSPGCL is paying MAT for last 3 consecutive years, RoE has been considered as per Regulation 23.1 on pre-tax basis at base rate of 15.5%, which has been grossed up with tax rate of 17.47% as per Regulation 23.3. The applicable tax rate has been considered as MAT and the rate is same as applicable for current year.

RoE submitted by CSPGCL for FY 2025-26 is as under:

Table 10-30: Return on Equity for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	91.63
2	DSPM	136.13
3	KWTPP	119.89
4	ABVTPS	209.60
5	HBPS	8.58

Commission's View

Regulation 23 of the MYT Regulations, 2021 specifies as under:

"23. RETURN ON EQUITY

23.1. Base rate for Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 14.0% for Generation and Transmission and SLDC.

...

23.3 The ROE shall be grossed up at the time of tariff by MAT rate for the year in which tariff is being determined, subject to the condition that MAT / Corporate tax has been paid for last three consecutive years for regulated business filed petition under these Regulations. In such case, Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of return on equity = Base rate / (1-MAT Rate)

At the time of True up, the income tax shall be pass through on actual basis, subject to ceiling as following:

= Average Permissible Equity X Base Rate of Return X (t/ (1-t))

Where "t" is the actual tax rate for the year. The tax rate shall be calculated without considering the delay payment surcharge received or receivable during the said financial year by generating company or licensee as the case may be."

As discussed earlier, normative equity has been considered at 30% for all stations of CSPGCL. The balance additional capitalisation is expected to be funded through loan.

Further, return of 14% has been considered for FY 2025-26 as FY 2025-26 is just an extension of the Control Period of FY 2022-23 to FY 2024-25 and the provisions of the MYT Regulations, 2021 are applicable. Further, the rate of RoE has not been grossed up with the MAT rate, and the RoE rate of 14% has been considered for the purpose of approving RoE for FY 2025-26. The Commission shall allow the Income Tax on actual basis at the time of Truing-up of FY 2025-26.

Accordingly, the Return on Equity has been approved for CSPGCL generating Stations for FY 2025-26, as under:

Table 10-31: Approved Return of Equity of FY 2025-26 for HTPS (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	487.23	474.44
Permissible Equity Addition due to Capitalization	1.34	1.34
Permissible Closing Equity	488.56	475.77
Average Permissible Equity during the year	487.90	475.10
Rate of return on Equity	18.78%	14.00%
Return on Equity	**91.63**	**66.51**

Table 10-32: Approved Return of Equity of FY 2025-26 for DSPM (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	719.90	719.91
Permissible Equity Addition due to Capitalization	9.83	9.83
Permissible Closing Equity	729.73	729.73
Average Permissible Equity during the year	724.82	724.82
Rate of return on Equity	18.78%	14.00%
Return on Equity	**136.13**	**101.48**

Table 10-33: Approved Return of Equity of FY 2025-26 for KWTPP (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	631.06	631.06
Permissible Equity Addition due to Capitalization	14.58	14.58
Permissible Closing Equity	645.64	645.64
Average Permissible Equity during the year	638.35	638.35
Rate of return on Equity	18.78%	14.00%
Return on Equity	**119.89**	**89.37**

Table 10-34: Approved Return of Equity of FY 2025-26 for ABVTPS (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	1106.35	1106.38
Permissible Equity Addition due to Capitalization	19.24	19.24
Permissible Closing Equity	1125.60	1125.62
Average Permissible Equity during the year	1115.98	1116.00
Rate of return on Equity	18.78%	14.00%
Return on Equity	**209.60**	**156.24**

Table 10-35: Approved Return of Equity of FY 2025-26 for HBPS (Rs. Crore)

Particulars	Petition	Approved
Opening Equity	44.23	44.23
Permissible Equity Addition due to Capitalization	2.93	2.93
Permissible Closing Equity	47.17	47.17
Average Permissible Equity during the year	45.70	45.70
Rate of return on Equity	18.78%	14.00%
Return on Equity	**8.58**	**6.40**

10.6.5 Interest and Finance Charges

CSPGCL's Submission

CSPGCL submitted that the Interest and Finance charges on loan capital have been computed as per Regulation 24 of the MYT Regulations, 2021. Savings from refinancing have been claimed in accordance with the methodology adopted by the Commission in previous Order/s.

Consequent to vigilant and rigorous efforts in the wider interest of all the stakeholders, CSPGCL has achieved further reduction in the interest rates for the existing loans for KWTPP and ABVTPS. Accordingly, the revised interest rate of 8.88% has been considered for the Control Period for KWTPP and ABVTPS. The savings from loan financing have also been computed in accordance with the Regulations and the settled methodology in the previous Order/s.

The Interest and Finance charges submitted by CSPGCL for FY 2025-26 are shown in the Table below:

Table 10-36: Interest & Finance Charges for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	5.03
2	DSPM	0.00
3	KWTPP	65.94

Sl. No.	Particulars	FY 2025-26
4	ABVTPS	312.45
5	HBPS	0.78

Commission's View

Regulation 24 of the MYT Regulations, 2021 specifies the method of computation of Interest and Finance charges for loan capital. The closing normative loan for FY 2023-24 as approved in True-up of FY 2023-24 has been considered as opening loan for FY 2024-25. For FY 2024-25, the normative loan towards the additional capitalisation for FY 2024-25 has been added, to arrive at closing normative loan for FY 2024-25, which has been considered as the opening normative loan for FY 2025-26. The loan addition for FY 2025-26 has been considered based on funding of additional capitalisation discussed in the means of finance section of this Order.

The repayment during the year has been considered equivalent to the approved depreciation for the year.

As per Regulation 24.5 of the MYT Regulations, 2021, the rate of interest shall be weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of year. CSPGCL has estimated the actual loan as on September 1, 2024 based on the actual loan portfolio and actual repayment and computed the weighted average rate of interest. The weighted average rate of interest computed on the basis of estimated actual loan portfolio as on September 1, 2024 for each generating station, as submitted by CSPGCL, has been accepted.

The interest on loan capital has been computed on the normative average loan of the year by applying weighted average rate of interest. Finance charges have not been claimed by CSPGCL, however, the same will be considered at time of True up of FY 2025-26 based on actual values after prudence check.

Accordingly, the approved Interest and finance charges on loan capital for CSPGCL generating Stations for FY 2025-26, are as under:

Table 10-37: Approved Interest & Finance Charges of FY 2025-26 for HTPS (Rs. Crore)

Particulars	Petition	Approved
Opening Net Normative Loan	76.18	53.58
Loan addition due to additional capitalization	3.12	3.12
Repayment during the Year	59.66	53.43
Closing Net Normative Loan	19.63	3.260
Average Loan during the year	47.90	28.42
Weighted Average Interest Rate	10.50%	10.50%
Interest Expense for the Period	5.03	2.98
Finance and Other Charges	0.00	0.00
Total Interest Expenses	**5.03**	**2.98**

Table 10-38: Approved Interest & Finance Charges for DSPM (Rs. Crore)

Particulars	Petition	Approved
Opening Net Normative Loan	0.00	0.00
Loan addition due to additional capitalization	22.93	22.93
Repayment during the Year	132.98	132.98
Closing Net Normative Loan	0.00	0.00
Average Loan during the year	0.00	0.00
Weighted Average Interest Rate	10.25%	10.25%
Interest Expense for the Period	0.00	0.00
Finance and Other Charges	0.00	0.00
Total Interest Expenses	**0.00**	**0.00**

Table 10-39: Approved Interest & Finance Charges for KWTPP (Rs. Crore)

Particulars	Petition	Approved
Opening Net Normative Loan	784.63	784.63
Loan addition due to additional capitalization	34.02	34.02
Repayment during the Year	222.84	222.84
Closing Net Normative Loan	595.81	595.80
Average Loan during the year	690.22	690.21
Weighted Average Interest Rate	8.88%	8.88%
Interest Expense for the Period	61.29	61.29
Savings on interest rate due to refinancing	13.94	13.94
Share of savings due to interest rate	4.65	4.65
Finance and Other Charges	0.00	0.00
Total Interest Expenses	**65.94**	**65.94**

Table 10-40: Approved Interest & Finance Charges for ABVTPS (Rs. Crore)

Particulars	Petition	Approved
Opening Net Normative Loan	3509.33	3509.48
Loan addition due to additional capitalization	44.90	44.90
Repayment during the Year	522.34	522.34
Closing Net Normative Loan	3031.89	3032.03
Average Loan during the year	3270.61	3270.76
Weighted Average Interest Rate	8.88%	8.88%
Interest Expense for the Period	290.43	290.44
Savings on interest rate due to refinancing	66.07	66.07
Share of savings due to interest rate	22.02	22.02
Finance and Other Charges	0.00	0.00

Particulars	Petition	Approved
Total Interest Expenses	**312.45**	**312.47**

Table 10-41: Approved Interest & Finance Charges for HBPS (Rs. Crore)

Particulars	Petition	Approved
Opening Net Normative Loan	7.45	7.45
Loan addition due to additional capitalization	6.85	6.85
Repayment during the Year	4.16	4.16
Closing Net Normative Loan	10.13	10.13
Average Loan during the year	8.79	8.79
Weighted Average Interest Rate	8.88%	8.88%
Interest Expense for the Period	0.78	0.78
Finance and Other Charges	0.00	0.00
Total Interest Expenses	**0.78**	**0.78**

10.6.6 Operation and Maintenance Charges

CSPGCL's Submission

CSPGCL submitted that CSPGCL has considered the approved employee expenses for FY 2024-25 as approved in the MYT Order and escalated the same by 5.04% as approved in the MYT Order to arrive at the normative employee expenses for FY 2025-26.

As regards M&G expenses for all the thermal plants, CSPGCL submitted that in continuation of the approach adopted while framing the MYT Regulations, 2021, the normative M&G expenses have been estimated considering 90% of the O&M norms specified in the CERC (Terms and Conditions of Tariff) Regulations applicable for the year, and considering the weightage of M&G expenses as 56.7% of such O&M norms. In computing the numbers for FY 2025-26, same principle has been adopted. The EM to the draft MYT Regulation for the next Control Period also emphasise the same underlying principle.

For HTPS, in the additional CIP Order as well as the Tariff Order for FY 2024-25, the Commission has appreciated that in view of the MoP Order to run the old Units up to minimum 31st March 2030, there is a genuine case for allowing the Special Allowance in full. Accordingly, the Order allowed CSPGCL to claim full allowance at the time of true up (with 50% front loading). Further, considering that capital works are planned in a batch and accordingly expenses are not the same every year, Commission has allowed carryover of Special Allowance from one year to the next year. It is also pertinent to submit that as per CEA directive, major works at HTPS are to be executed during FY 2025-26 to FY 2027-28.

CSPGCL submitted that looking to the inflation over last five years, CERC has slightly raised the Special Allowance @ Rs. 10.75 lakh/MW. The Draft MYT Regulations also adopted the same. Hence, CSPGCL requested the Commission to revise the rate (inflation being uncontrollable for CSPGCL). However, only 50% front end loading has been proposed with prayer to grant leave to claim the balance at the time of true up. However, CSPGCL submitted that the prayer for 50% frontloading of special allowance may under any condition not be construed as claim for only half of the Special Allowance. The right to claim the Special Allowance to the fullest (subject to actual) at the time of true up remains unfettered and is not vitiated by any waiver, constructive or otherwise.

However, in its revised submission dated 7th April, 2025 CSPGCL submitted that due to speeding up of Capital works in HTPS, it has become imperative that front loading Special Allowance is revised to full normative value. Hence, CSPGCL have prayed for Rs. 90.30 Crore as Special Allowance instead of previous claim of Rs. 45.15 Crore.

Regarding HEP, Hasdeo Bango, CSPGCL submitted that three components of O&M Expenses, i.e., the HR Expenses and A&G Expenses and R&M expenses have been escalated at the rate as approved in the MYT Order over the approved expenses for FY 2024-25.

Commission's View

Regulation 40.5 of the MYT Regulations, 2021 specifies as under:

> ***"40.5. Operation And Maintenance (O&M) Expenses***
>
> ***40.5.1. Human Resource (HR) Expenses***
>
> *a) HR expenses for generating company shall include:*
>
> *(i) employees costs;*
>
> *(ii) impact of Pay revision:*
>
> *(iii) manpower deployed on outsourcing basis*
>
> *b) The Commission shall stipulate a separate trajectory for each of the components of HR expenses for the Control Period for all existing generating stations.*
>
> *c) The HR expenses includes employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing basis, pension fund contribution, and any other expenses of non-recurring nature related to HR. The base year i.e. FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of pay revision arrears and any other expenses of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.*
>
> *d) The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI (IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expenses (excluding impact of*

pension fund contribution and pay revision and any other expenses of non-recurring nature, if any) for each year of the control period.

e) At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism.

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

f) CPI (IW) (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001:100}.

40.5.2. Maintenance & General (M&G) Expenses

40.5.2.1. Thermal Generating Station:

Maintenance and General (M&G) expenses for generating company shall include:

a) Administrative and General (A&G) expenses;

b) Repair and Maintenance (R&M) expenses

the year wise projections for M&G expenses for the control period with annual escalation of 3.50% are as under

(in Rs. Lakh/MW)

Year	200/210/250 MW Series	300/330/350 MW Series	500 MW Series	600 MW Series	800 MW & above
FY 2022-23	18.65	15.69	12.73	11.46	10.31
FY 2023-24	19.30	16.24	13.18	11.86	10.67
FY 2024-25	19.97	16.80	13.64	12.28	11.05

At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis.

Provided further that the O&M expenses on account of emission control system in coal based thermal generating station shall be 2% of the admitted capital expenditure (excluding IDC and IEDC) as on its date of commercial operation, which shall be escalated annually @3.5% during the tariff period subject to true up as above.

Provided that in all cases the additional O&M cost incurred due to any change/compliance of law or any direction by in statutory authority including but not limited to expenses on ash utilization (not covered in additional capitalisation) shall be pass through over and above the O&M charges allowed in tariff order.

Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry of Commerce & Industry, Government of India {Base Year: 2011-12 Series);

Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001:100}.

Provided that water charges shall be pass-through in tariff on reimbursement on actual basis."

Similarly, Regulation 40.5.2.2 of the CSERC MYT Regulations, 2021 specify the principles for estimation of the O&M expenses of the existing hydro generation stations.

The O&M expenses for the Control Period from FY 2022-23 to FY 2024-25 have been estimated on the basis of methodology prescribed in the MYT Regulations, 2021. The Commission has decided to determine the Tariff of FY 2025-26 on the broad principles specified in the MYT Regulations, 2021. Hence, to the extent possible the Commission has decided to adopt the same approach and methodology it has adopted in the MYT Order of FY 2022-23 to FY 2024-25.

The Commission notes that CSPGCL has proposed to determine the Normative HR Expense of FY 2025-26 as if it was determined at the time of MYT Order of FY 2022-23 to FY 2024-25 itself for HR Expense. Hence, all applicable escalation rates of MYT Order have been used to project the normative O&M Expense of FY 2025-26 (5.04% for HR Expenses has been proposed as applied in MYT Order.)

Considering that CSPGCL has not prayed for any change in the terms and conditions of allowing HR Expense for FY 2025-26 and the tariff determination process of FY 2025-26 is just an extension of previous MYT Order, the Commission decides to approve the methodology CSPGCL adopted for determining the Normative HR Expense as claimed by CSPGCL. The HR expenses approved by the Commission for FY 2025-26 is shown in the Table below:

Table 10-42: Normative HR Expense for FY 2025-26 approved by the Commission (Rs. Crore)

Plant	HR Expenses submitted by CSPGCL	Approved HR Expenses
HTPS	253.69	253.69
DSPM	102.09	102.09
KWTPP	50.73	50.73
ABVTPS	124.97	124.97

The Commission notes that for M&G Expense, CSPGCL has adopted a different methodology. CSPGCL has estimated the normative M&G expenses considering 90% of the O&M norms specified in the CERC (Terms and Conditions of Tariff) Regulations applicable for the year, and considering the weightage of M&G expenses as 56.7% of such O&M norms. CSPGCL has claimed that the same approach was adopted while framing the MYT Regulations, 2021. The Commission however, is of the opinion that similar to HR expenses, CSPGCL should have adopted the same methodology to determine M&G expense also. As provided in the previous para, the Commission must adopt to the extent possible the approach and methodology adopted in the MYT Order of FY 2022-23 and FY 2024-25. The Commission has decided to determine the normative M&G Expense of FY 2025-26 as if the same were determined in the MYT Order itself.

The norms for M&G Expense for FY 2022-23 to FY 2024-25 has been provided in the MYT Regulations, 2021. However, for FY 2025-26 no norms have been specified in the MYT Regulations, 2021. The Commission notes that the norms have been determined for a particular year by escalating the previous year's norm by 3.5% with the proviso that at the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year-to-year basis. In the true up section of this order, the normative M&G expenses have been revised accordingly. Hence, for FY 2025-26, the Commission decides to approve the applicable norms of the thermal plants by applying yearly inflation of 3.5% for FY 2024-25 and FY 2025-26, subject to true up as per actual inflation rates. The normative M&G expenses FY 2025-26 are as provided in the Table below:

Table 10-43: M&G Norms for FY 2025-26

Plant	M&G Expense norms applicable for FY 2024-25 (Rs. Lakh/MW)	Escalation factor	M&G Expense norms approved by Commission for FY 2025-26 (Rs. Lakh/MW)
HTPS	19.97	3.5%	21.327
DSPM	19.97		21.32
KWTPP	13.64		14.55
ABVTPS	13.64		14.55

Accordingly, the Commission has approved the M&G Cost for thermal power plants of CSPGCL using these approved M&G norms of the plant, as provided in the Table below:

Table 10-44: Normative M&G Cost for FY 2025-26 approved by the Commission (Rs. Crore)

Plant	M&G Cost submitted by CSPGCL	Approved M&G Cost
HTPS	184.63	179.05
DSPM	109.90	106.58
KWTPP	72.95	72.75
ABVTPS	145.90	145.50

The Commission notes that HR expenses, R&M expenses, and A&G Expense of HBPS have been estimated by CSPGCL by escalating at the rates as approved in the MYT Order over the approved expenses for FY 2024-25. The Commission as stated earlier finds the methodology appropriate for determining the HR expenses, R&M expenses, and A&G Expense of HBPS. Hence, the Commission approves the O&M Expense of FY 2025-26 as claimed by CSPGCL.

As regards Special Allowance of HTPS, Regulation 21.4 of the MYT Regulations, 2021 specifies the Special Allowance of Rs. 9.5 lakh/ MW/ year for the generating station other than HTPS, which has completed useful life without investment in "Renovation & Modernisation" and meets the operational performance benchmark in accordance with the norms specified in the Regulations. The Regulation also specifies that in case of HTPS, the Special Allowance may be decided in the Tariff Petition/Capital Investment Plan.

The Commission notes that CSPGCL has prayed for grant of Special Allowance of Rs. 90.30 Crore computed at Rs. 10.75 Lakh/MW/year (according to CERC MYT Regulations, 2024) for the old HTPS plant. The Commission also notes that the Draft MYT Regulations have also adopted the same. CSPGCL has requested the Commission to accept the revised rate (inflation being uncontrollable for CSPGCL).

The Commission notes that initially, CSPGCL has claimed only 50% of the amount being claimed now. CSPGCL has justified the change by saying it needs to do a lot of Capital expenditure in the period of FY 2025-26 to FY 2027-28 to operate the plant up to FY 2029-30 at least. Considering that the Special Allowance would be trued up based on actual done during FY 2025-26 and the urgent nature of these expenditures for continuation of smooth functioning of the plant, the Commission approves the enhanced Special Allowance of Rs 90.30 Cr being claimed by CSPGCL for FY 2025-26. However, as the same is subject to true up and also the fact that capital nature expenses may spill over from one year to other, Commission is allowing 80% of the same, with liberty to CSPGCL for claiming additional / spill over expenses incurred at the time of true up up to allowable special allowance as per prevailing MYT Regulations, subject to prudence check by the Commission.

Table 10-45: Approved Special Allowance FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	Special Allowance for HTPS	72.204

10.6.7 Interest on Working Capital

CSPGCL's Submission

CSPGCL has submitted that the Interest on Working Capital (IoWC) has been computed on normative basis as per the methodology given in Regulation 26 of the MYT Regulations, 2021. The rate of interest has been considered as MCLR Rate- one year tenor of State Bank of India as on September 30, 2024 plus 200 basis points. The Interest on Working Capital submitted for FY 2025-26 is as under:

Table 10-46: Interest on Working Capital for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	30.99

Sl. No.	Particulars	FY 2025-26
2	DSPM	22.71
3	KWTPP	17.93
4	ABVTPS	51.09
5	HBPS	0.61

CSPGCL through its submission dated 7th April 2025 have revised its claim due to change in the fuel cost and change in claim of Special Allowance, which have led to change in the normative Interest on Working Capital of CSPGCL, as summarised below:

Table 10-47: Revised Interest on Working Capital for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	32.03
2	DSPM	23.30
3	KWTPP	18.30
4	ABVTPS	51.71
5	HBPS	0.61

Commission's View

The Interest on Working Capital for FY 2025-26 has been computed in accordance with Regulation 26 of the MYT Regulations, 2021.

The Commission notes that CSPGCL has considered Receivables of 1 month for computing working Capital requirement of FY 2025-26. The Commission through its amendment dated May 29, 2023 has amended Regulation 26.1 (a)(vi) of the MYT Regulations, 2021, according to which Receivables for 45 days of actual Capacity Charges and Energy Charges as approved by the Commission is to be considered for Working capital computation of coal powered power stations operated by CSPGCL.

The same is reproduced below:

> *"(vi) Receivables equivalent to* ***45 days of capacity charges and energy charges*** *for sale of electricity calculated on normative plant availability factor." …**(emphasis added)***

Also, through the same amendment, the Commission has amended Regulation 26.1 (b)(iii) of the MYT Regulations, 2021, as per which Receivables for 45 days of actual fixed cost as approved by the Commission is to be considered for Working capital computation of Hydro Power stations operated by CSPGCL.

The same is reproduced below:

> *"(iii) Receivables equivalent to* ***45 days of fixed cost****." …**(emphasis added)***

Accordingly, the IoWC approved by the Commission for FY 2025-26 is shown in the Table below:

Table 10-48: Approved IoWC for HTPS (Rs. Crore)

Particulars	Original Petition	Revised Petition	Approved
Cost of Coal	85.63	88.88	88.88
Cost of Main Secondary Fuel Oil	2.60	2.63	2.63
O&M Expenses	18.01	18.01	17.78
Maintenance Spares	36.93	36.93	35.81
Receivables	139.87	146.03	209.09
Total working capital requirement	283.05	292.48	354.19
Rate of Interest (%)	10.95%	10.95%	10.95%
Interest on Working Capital	**30.99**	**32.03**	**38.78**

Table 10-49: Approved IoWC for DSPM (Rs. Crore)

Particulars	Original Petition	Revised Petition	Approved
Cost of Coal	78.32	81.64	81.64
Cost of Main Secondary Fuel Oil	1.05	1.09	1.09
O&M Expenses	8.71	8.71	8.58
Maintenance Spares	21.98	21.98	21.32
Receivable	97.35	99.39	142.65
Total working capital requirement	207.40	212.80	255.26
Rate of Interest (%)	10.95%	10.95%	10.95%
Interest on Working Capital	**22.71**	**23.30**	**27.95**

Table 10-50: Approved IoWC for KWTPP (Rs. Crore)

Particulars	Original Petition	Revised Petition	Approved
Cost of Coal	51.13	53.06	53.06
Cost of Main Secondary Fuel Oil	1.08	1.09	1.09
O&M Expenses	5.08	5.08	5.07
Maintenance Spares	14.59	14.59	14.55
Receivable	91.85	93.29	134.61
Total working capital requirement	163.72	167.11	208.39
Rate of Interest (%)	10.95%	10.95%	10.95%
Interest on Working Capital	**17.93**	**18.30**	**22.2**

Table 10-51: Approved IoWC for ABVTPS (Rs. Crore)

Particulars	Original Petition	Revised Petition	Approved
Cost of Coal	184.28	187.79	186.54
Cost of Main Secondary Fuel Oil	2.14	2.17	2.17
O&M Expenses	11.13	11.13	11.11
Maintenance Spares	29.18	29.18	29.10
Receivable	239.83	242.00	351.27
Total working capital requirement	466.55	472.27	580.19
Rate of Interest (%)	10.95%	10.95%	10.95%
Interest on Working Capital	**51.09**	**51.71**	**63.53**

Table 10-52: Approved IoWC for HBPS (Rs. Crore)

Particulars	Original Petition	Revised Petition	Approved
O&M Expenses	0.71	0.71	0.71
Maintenance Spares	1.73	1.73	1.73
Receivable	3.10	3.10	4.31
Total working capital requirement	5.54	5.54	6.75
Rate of Interest (%)	10.95%	10.95%	10.95%
Interest on Working Capital	**0.61**	**0.61**	**0.74**

10.6.8 Contribution to Pension and Gratuity

CSPGCL's Submission

CSPGCL submitted that the Commission has directed for filing of the instant Petition following the broad principles adopted in the MYT Regulation 2021. In this regard, CSPGCL understands that the MYT Order dated April 13, 2022, emphatically demonstrates the methodology followed by the Commission for implementing the broad principles laid down in the Regulations.

CSPGCL submitted that according to the said Order, the methodology adopted was that the base contribution has been accepted as per the requirement raised by the Pension Trust, Inter-Company share shall prevail as per Tariff Order for FY 2021-22, and there may be need for additional contribution.

CSPGCL submitted that the Pension Trust vide its letter No. 227 dated November 14, 2024 has communicated the estimated expenditure of the Pension Trust as Rs 1476.22 Crore for FY 2025-26. The inter-Company share, for tariff purposes, is also an established share. For additional contribution, CSPGCL submitted that based on the facts and circumstances, there is a genuine case. The need for additional contribution was well recognised in the MYT Order. As the determination was multi-year, the same was in abstract form. For a multi-year Control Period such abstract consideration may be considered befitting. However, for just one-year period, intent deserves conversion to numbers. CSPGCL provided the actuarial analysis of P&G Fund of CSEB Companies, as shown below:

Table 10-53: Actuarial analysis of CSEB Companies

Particulars	31/03/23	31/03/24	Increase / (Decrease) during FY 2023-24
Present Value of Obligations	19202.99	20798.41	1595.42
Fair Value of Assets	5246.33	5914.87	668.54
Net Liability	13956.66	14883.54	926.88

The Commission allowed the contribution as per the funding requirement assessed by the Trust, however, it may kindly be seen that during FY 2023-24, the 'Net (unfunded) Liability' of the Trust, has increased by a substantial amount of Rs 926.88 Crore. CSPGCL understands that bridging such gap in a short period may be difficult but it underlines the need to allow higher contribution than the base requirement. At this juncture, as the instant submission is just for one year, CSPGCL has prayed for a meagre additional amount of about 50 Crore, making the total contribution to Rs 1526.54 Crore. It is submitted that in percentage terms, the increase is lower than three-year and five-year average increase. Considering the same, CSPGCL prays for allowing Gratuity and Pension Trust Contribution for FY 2025-26 as under:

Table 10-54: **Contribution towards P&G Trust for FY 2025-26 as submitted by CSPGCL**

Particulars	CSPDCL	CSPGCL	CSPTCL	SLDC	Total
% Share	62.250%	27.258%	10.240%	0.252%	100.000%
Rs Crore	950.274	416.105	156.318	3.847	1526.54

For inter-plant share, as desired, the ratio adopted in the MYT Order has been relied upon. Hence, the Contribution to Pension and Gratuity submitted by CSPGCL for FY 2025-26 is as under:

Table 10-55: Contribution to Pension and Gratuity for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	186.42
2	DSPM	69.16
3	KWTPP	41.40
4	ABVTPS	113.22
5	HBPS	5.90

Commission's View

Regulation 34 of the MYT Regulations, 2021 specifies as under:

"34. PENSION FUND

34.1. For meeting up the past unfunded liabilities of employees appointed before 01.01.2004 erstwhile CSEB State Power Companies, a pension and gratuity trust has been constituted and funding to the same has been allowed in the past by the Commission. ***The contribution to this fund shall be specified by the Commission on the basis of actuarial analysis, expected pension outflow for the State Power Companies and availability of fund with the Pension trust at the time of determination of MYT / ARR for each year of the control period****. The pension outflow shall be met from the Pension and Gratuity Fund. Contribution to the pension fund as approved by the Commission shall be recoverable as specified in this regulations.*

Provided till the time SLDC is administered by STU, SLDC"s share to the Pension and Gratuity Fund shall be met by the STU on pro-rata basis. For the purpose of ratio determination, the employee strength of SLDC and STU as on 1st April of the preceding year shall be considered. ***" (emphasis added)***

The Commission notes that CSPGCL has prayed for a total additional claim of Rs. 50 Crore over and above the base requirement sought by the Pension Trust. CSPGCL has stated that the additional amount is meagre, given that the 'Net (unfunded) Liability' increased substantially by Rs. 926.88 Crore during FY 2023-24.

In this regard, the Commission is of the view that the overall contribution to the P&G Fund, as claimed by the P&G Trust is based on actuarial analysis, anticipated outflows for the State Power Companies, and availability of funds with the Pension Trust, which is in accordance with the MYT Regulations, 2021. The Commission has hence, been allowing the overall contribution to the Pension Trust in the Tariff Orders, based on the claim made by the Pension Trust. Accordingly, the Commission has approved the contribution towards Pension and Gratuity Fund for FY 2025-26 based on the Chhattisgarh Gratuity and Pension Trust Letter No. P&G Trust/227 dated 14 November 2024 amounting to a total of Rs. 1476.22 Crore for FY 2025-26.

Further, in the MYT Order dated 13th April 2022, the Commission has stated as under:

"It is further clarified that if the actual expenses on payment of Gratuity and Pension during the respective year significantly overshoots the estimation, then at the end of the respective year, the Companies may make additional contribution in accordance with their share to meet such additional expense. Subject to prudence check, the same shall be considered at the time of true up."

Hence, in such a situation, the Companies may approach the Commission for necessary relief at the time of true-up for the respective year.

Further, to avoid any confusion and mismatch in the amounts allowed to each Company, the Commission has considered the allocation of each entity in the same ratio as approved in the MYT Order dated 13 April 2022.

The Contribution to the P&G Trust as approved for CSPGCL, CSPTCL, CSLDC and CSPDCL is shown in the table below:

Table 10-56: Approved Contribution to P&G Fund for FY 2025-26 (Rs. Crore)

Entity	% Allocation	FY 2025-26
CSPGCL	27.258%	402.39
CSPTCL	10.240%	151.16
CSLDC	0.252%	3.72
CSPDCL	62.250%	918.95
Total	**100.00%**	**1476.22**

For inter-plant share, the ratio adopted in the MYT Order has been adopted for FY 2025-26 also.

The Contribution to Pension and Gratuity approved by the Commission for CSPGCL for FY 2025-26 is as under:

Table 10-57: Approved Contribution to Pension and Gratuity for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	180.28
2	DSPM	66.88
3	KWTPP	40.04
4	ABVTPS	109.49
5	HBPS	5.71

10.6.9 Non-Tariff Income (NTI)

CSPGCL's Submission

CSPGCL submitted that the NTI as computed in True-Up for FY 2023-24 has been escalated by 5.25%, as shown in the Table below:

Table 10-58: Non-Tariff Income for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	21.70
2	DSPM	5.27
3	KWTPP	3.93
4	ABVTPS	10.21
5	HBPS	0.01

Commission's View

The Commission notes that Non-Tariff Income for FY 2025-26 has been estimated by CSPGCL by considering escalation factor of 5.25% over the actual Non-Tariff Income of FY 2023-24. The Commission notes that Non-Tariff Income estimated by CSPGCL is reasonable and the same shall be trued up in the true up of FY 2025-26 based on actuals. Hence, the Commission approves the Non-Tariff Income of FY

2025-26 as submitted by CSPGCL, as shown in the Table below:

Table 10-59: Approved Non-Tariff Income for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	21.70
2	DSPM	5.27
3	KWTPP	3.93
4	ABVTPS	10.21
5	HBPS	0.01

10.6.10 Ash Utilisation Expenses

CSPGCL's Submission

The Commission vide its Order dated April 13, 2022 in Petition No. 01 of 2022 has taken cognizance of the notification dated 25th January 2016 wherein the Ministry of Environment and Forests (MoEF) amended the Environment (Protection) Act, 1986. The Commission has allowed such expense as a separate line item. However, as at that time no numbers / estimations were available, no front loading could be considered. Now, as actual numbers are available, in accordance with the Tariff Policy and the Rules, the same needs to be recognized in advance. In the instant Petition, the ash utilization expenses have been considered at the level of FY 2023-24 with yearly escalation of 5.25% for estimating expenses for FY 2025-26.

The Ash utilisation expense projected by CSPGCL is as follows:

Table 10-60: Ash Utilisation Expense for FY 2025-26 as submitted by CSPGCL (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	28.20
2	DSPM	15.37
3	KWTPP	34.09
4	ABVTPS	37.08
5	HBPS	0.00

Commission's View

The Commission notes that CSPGCL has estimated the Ash utilisation Expenses based on the actual expenditure during FY 2023-24 which has been approved by the Commission. The Commission notes that CSPGCL has adopted a escalation factor of 5.25% for yearly escalation of this expenditure. The Commission notes that the expenditure projected by the CSPGCL is reasonable and also notes that the actual Ash utilisation Expense would be trued up. Hence, for projection purpose, the Commission approves Ash Utilisation Expense as projected by CSPGCL. The Approved plant wise Ash utilisation expense is summarised as below:

Table 10-61: Approved Ash Utilisation Expense for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	28.20
2	DSPM	15.37
3	KWTPP	34.09
4	ABVTPS	37.08
5	HBPS	0.00

10.6.11 Statutory expenses

Commission's View

As regards the applicability of the statutory charges, the MYT Regulations, 2021 specifies as under:

1. Regulation 37.1 specifies that the water charges, statutory taxes, duties and cess actually paid, shall be pass through.
2. Regulation 40.5.2.1 specifies that water charges shall be pass through in tariff on reimbursement on actual basis.

In view of the above specific provisions in the Regulations, Statutory Charges such as duty and cess (if any), Water Charges, SLDC Charges, etc., shall be recoverable from CSPDCL on reimbursement basis, as per actual. Similarly, the expenses incurred by CSPGCL for start-up power shall be billed to CSPDCL separately in the same manner as statutory and other charges and shall be reimbursed by CSPDCL.

10.6.12 ARR for FY 2025-26

Based on various components of expense and income discussed above, the station-wise summary of ARR for FY 2025-26 is given in the following Tables. The Commission has considered the revised ARR submitted by CSPGCL as Petition value for the purpose of comparison. The Contribution to Pension and Gratuity has not been considered as part of Annual Fixed Cost, however, the same shall be billed and allowed separately.

Table 10-62: Approved ARR for CSPGCL for FY 2025-26 (Rs. Crore)

Particulars	Original Petition for Tariff of FY 2025-26						Revised Petition for Tariff of FY 2025-26						Approved for Tariff of FY 2025-26					
	HTPS	DSPM TPS	KWTPP	ABV TPS	HBPS	TOTAL	HTPS	DSPM TPS	KWTPP	ABV TPS	HBPS	TOTAL	HTPS	DSPM TPS	KWTPP	ABV TPS	HBPS	TOTAL
Annual Capacity Charges																		
Depreciation	59.66	132.98	222.84	522.34	4.16	941.99	59.66	132.98	222.84	522.34	4.16	941.99	53.43	132.98	222.84	522.34	4.16	935.77
Interest & Finance Charges	5.03	0.00	65.94	312.45	0.78	384.20	5.03	0.00	65.94	312.45	0.78	384.20	2.98	0.00	65.94	312.45	0.78	382.17
Return on Equity	91.63	136.13	119.89	209.60	8.58	565.84	91.63	136.13	119.89	209.60	8.58	565.84	66.51	101.48	89.37	156.24	6.40	420.00
O&M Expense	438.32	211.99	123.68	270.87	17.17	1,062.03	438.32	211.99	123.68	270.87	17.17	1,062.03	432.74	208.66	123.48	270.46	17.17	1,052.52
Special Allowance	45.15					45.15	90.30					90.30	72.24					72.24
Interest on Working Capital	30.99	22.71	17.93	51.09	0.61	123.33	32.03	23.30	18.30	51.71	0.61	125.95	38.78	27.95	22.82	63.53	0.74	153.82
Less: Non-Tariff Income	21.70	5.27	3.93	10.21	0.01	41.12	21.70	5.27	3.93	10.21	0.01	41.12	21.70	5.27	3.93	10.21	0.01	41.12
Total Annual Capacity charge	**649.09**	**498.54**	**546.36**	**1356.13**	**31.29**	**3,081.41**	**695.27**	**499.14**	**546.73**	**1356.76**	**31.29**	**3,129.18**	645.00	465.80	520.52	1314.83	29.24	2,975.39
Cost of Coal	781.40	571.73	466.53	1345.22	0.00	3,164.87	810.99	595.96	484.19	1370.85	0.00	3,261.98	810.99	595.96	484.19	1361.72	0.00	3,252.85
Cost of Oil	33.37	13.33	13.80	26.30	0.00	86.80	31.53	13.03	13.03	26.06	0.00	83.66	31.53	13.03	13.03	26.06	0.00	83.66
Total Energy Charges	**814.77**	**585.06**	**480.32**	**1,371.51**	**0.00**	**3,251.67**	**842.51**	**608.99**	**497.22**	**1,396.91**	**0.00**	**3,345.64**	**842.51**	**608.99**	**497.22**	**1,387.79**	**0.00**	**3,336.51**
Contribution to Gratuity/Pension Fund	186.42	69.16	41.40	113.22	5.90	416.11	186.42	69.16	41.40	113.22	5.90	416.11	180.28	66.88	40.04	109.49	5.71	402.39
Ash Utilisation Expenses (Change in law)	28.20	15.37	34.09	37.08	0.00	114.74	28.20	15.37	34.09	37.08	0.00	114.74	28.20	15.37	34.09	37.08	0.00	114.74
Aggregate Revenue Requirement (ARR)	**1678.48**	**1168.14**	**1102.17**	**2877.95**	**37.19**	**6,863.93**	**1752.40**	**1192.66**	**1119.44**	**2903.97**	**37.19**	**7,005.66**	**1695.98**	**1157.05**	**1091.87**	**2849.18**	**34.94**	**6,829.03**

10.7 Billing for FY 2025-26

The recovery of fixed cost shall be through station-wise capacity charges in accordance with the formulae specified in Regulation 45 of the MYT Regulations, 2021; and recovery of energy charges shall be through the station-wise energy charge rate (in Rs/kWh) in accordance with the formulae specified in Regulation 45 of the MYT Regulations, 2021. It may be noted that Annual Fixed Cost (AFC) does not comprise SLDC charges, water charges and other statutory charges. SLDC charges, water charges, start-up power and other statutory charges shall be claimed on reimbursement basis.

Further, in case of thermal stations, the monthly increase in the primary fuel cost for FY 2025-26 shall be recovered as per the Fuel Cost Adjustment mechanism specified in Regulation 93 of the MYT Regulations, 2021 (as amended). CSPGCL shall compute the CHFC for each thermal generating station separately as per approved methodology for each month and bill the monthly amount to CSPDCL for payment as part of Fuel Cost Adjustment. The formats for calculation of FCA charges are enclosed in as **Annexure-IV** of this Order.

Station-wise Annual Fixed Cost (excluding P&G Trust Contribution) approved for each thermal generating station FY 2025-26 is summarised in the Table below:

Table 10-63: Approved Annual Fixed Cost for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	673.19
2	DSPM	481.18
3	KWTPP	554.62
4	ABVTPS	1351.90

The Station -wise approved P&G Trust contribution for FY 2025-26 is given in the Table below:

Table 10-64: Approved P&G Trust Contribution for FY 2025-26 (Rs. Crore)

Sl. No.	Particulars	FY 2025-26
1	HTPS	180.28
2	DSPM	66.88
3	KWTPP	40.04
4	ABVTPS	109.49

The Station-wise approved energy charge rate for FY 2025-26 is summarised in the Table below:

Table 10-65: Approved Energy Charge Rate for FY 2025-26 (Rs./kWh)

Sl. No.	Particulars	FY 2025-26
1	HTPS	1.657
2	DSPM	1.798
3	KWTPP	1.410

Sl. No.	Particulars	FY 2025-26
4	ABVTPS	1.967

Regulation 46 of the MYT Regulations, 2021 specifies that the tariff for hydro power plant shall be single-part tariff. Accordingly, the approved tariff for Hasdeo Bango for FY 2025-26, excluding P&G contribution and statutory charges such as water charges, is summarised in the following Table:

Table 10-66: Approved Tariff for HBPS

Sl. No.	Particulars	FY 2025-26
1	Approved AFC (Rs. Crore)	29.24
2	Approved Net Generation (MU)	270.71
3	Approved Tariff for Hasdeo Bango	1.080
4	P&G Trust Contribution	5.71

11 ARR AND TRANSMISSION TARIFF OF CSPTCL FOR FY 2025-26

11.1 Background

The Commission, vide Order dated 24 October 2024, directed the Licensees and Generating Companies to file the Tariff Petition for FY 2025-26 along with the true-up Petition for FY 2023-24 in accordance with the provisions of the Act and broadly following the principles specified in prevailing MYT Regulations, 2021.

Accordingly, CSPTCL submitted the present Petition for determination of ARR and Transmission Tariff for FY 2025-26 in accordance with the MYT Regulations, 2021 and the directions of the Commission vide Order dated 24 October 2024. Further, CSPTCL has submitted that it has made projections for FY 2025-26 based on the following:

- True-up for FY 2023-24, which is based on audited accounts
- GFA Additions as discussed in CIP Petition for FY 2025-26
- Escalation of some of the components based on Inflation Indices, i.e., WPI and CPI.

The Commission observed many discrepancies and inconsistencies in the submitted Petition. Accordingly, the Commission directed CSPTCL to provide a comprehensive Errata and Corrigendum, listing all the errors and corresponding corrections. In response, CSPTCL submitted a revised Petition along with the detailed Errata, which the Commission has duly considered.

11.2 Transmission Losses

CSPTCL's Submission

CSPTCL proposed Transmission losses of 3.51% for FY 2025-26, and requested the Commission to approve the Transmission losses as proposed for FY 2025-26.

Commission's View

The Commission has approved the intra-State Transmission losses of 3% for FY 2025-26 in line with the losses approved for the Control Period from FY 2022-23 to FY 2024-25 in the MYT Order dated 13 April 2022.

11.3 Operation and Maintenance (O&M) Expenses

CSPTCL's Submission

CSPTCL submitted that O&M expenses include Human Resource (HR) expenses and M&G expenses. Further, CSPTCL submitted that O&M expenses for FY 2025-26 have been derived based on WPI/CPI increase over the Audited figures for FY 2023-24. The details of O&M Expenses for FY 2025-26 is shown in the Table below:

Table 11-1: Normative O&M Expenses for FY 2025-26 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
1	HR Expenses	317.25
2	A&G Expenses	66.00
3	R&M Expenses	71.30

CSPTCL requested the Commission to approve O&M Expenses for FY 2025-26 as shown in the above table.

Commission's View

As regards O&M Expenses, Regulation 73.5 of the MYT Regulations, 2021 specifies as under:

"73.5 Operation and Maintenance expenses

73.5.1. Human Resource (HR) Expenses

a) HR expenses shall include:

(i) Employee costs;

(ii) Impact of Pay revision;

(iii) Manpower deployed on outsourcing basis;

b) The Commission shall stipulate a separate trajectory for each of the components of HR expenses for the Control Period.

c) The HR expenses includes employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing basis, pension fund contribution, and any other expense of non-recurring nature related to HR. The base year i.e., FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of the pay revision arrears and any other expense of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.

d) The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI(IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value of FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expense (excluding impact of pension fund contribution and pay revision and any other expense of non-recurring nature, if any) for each year of the control period.

e) At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism.

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

f) CPI (IW) (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}

73.5.2. Maintenance & General (M&G) Expenses

a) Maintenance & General (M&G) expenses shall include:

(i) Administrative and General (A&G) expenses;

(ii) Repair and Maintenance (R&M) expenses

b) The Commission shall stipulate a separate trajectory for M&G expenses i.e., R&M and A&G expenses for the Control period.

c) The A&G expenses (excluding expenses towards outsourcing manpower if any) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower if any) available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.

d) For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the A&G expense.

e) R&M expenses for the first year of the control period shall be calculated as a percentage (as per the norm decided in the tariff order) of opening Gross Fixed Assets. For arriving at the R&M expenses of the subsequent years of the control period, projected WPI rate shall be applied on the estimated R&M expenses of the first year.

f) Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry of Commerce & Industry, Government of India {Base Year: 2011-12 Series};

g) Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}

h) At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period."

The Commission has considered escalation factor of 5.78% (5-year average inflation rate, 100% CPI weightage) to calculate HR Expenses, escalation factor of 5.44% (5-year average inflation rate @ 40% WPI and 60% CPI weightage) to calculate A&G expenses, and escalation factor of 4.93 % (5-year average inflation rate, 100% WPI weightage) to calculate R&M expenses for FY 2025-26. These escalation rates have been applied to net actual HR Expenses for FY 2023-24 and the revised normative M&G Expenses for FY 2023-24 as approved in this Order, to arrive at the normative O&M Expenses for FY 2025-26.

The Commission notes that CSPTCL has revised the normative A&G Expenses and R&M expenses for FY 2025-26 as part of the revised Petition.

However, it is observed that for calculating normative A&G Expenses and R&M Expenses, CSPTCL has considered the actual A&G Expenses and R&M Expenses for FY 2023-24 instead of revised normative A&G and R&M Expenses for FY 2023-24.

The summary of yearly inflation and the average inflation considered for projecting the HR expenses, A&G expenses and R&M expenses is shown in the Table below:

Table 11-2: Computation of Inflation Rate for projections (%)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Average of 5 years increase
CPI – IW (%)	7.53%	5.02%	5.13%	6.05%	5.19%	**5.78%**
WPI – AC (%)	1.68%	1.27%	13.02%	9.40%	-0.74%	**4.93%**
WPI @ 40% & CPI @ 60%						**5.44%**

Accordingly, the Commission has approved the normative O&M expenses for FY 2025-26 as shown in the Table below:

Table 6-3: Approved Normative O&M Expenses for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
1	HR Expenses	317.25	317.25	307.61
2	A&G Expenses	66.00	65.82	67.02
3	R&M Expenses	71.30	69.49	69.18
4	**Total O&M Expenses**	**454.55**	**452.57**	**443.81**

11.4 Contribution to Pension and Gratuity Fund

CSPTCL's Submission

CSPTCL submitted that contribution towards P&G Fund for FY 2025-26 has been considered based on the demand raised by P&G Trust as per the latest Actuarial Valuation. CSPTCL submitted that the share of CSPTCL and CSLDC has been considered based on the percentage share determined by the Commission in the MYT Order dated 30 April 2016. CSPTCL submitted that the share of CSPTCL and

CSLDC has further been bifurcated between the two entities based on their working strength of employees.

Accordingly, CSPTCL requested the Commission to approve contribution towards Pension and Gratuity Fund, as shown in the Table below:

Table 11-4: Contribution to P&G Fund as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2025-26
Contribution to P&G Fund	156.32

Commission's View

Regulation 34 of the MYT Regulations, 2021 specifies as under:

"34. PENSION FUND

34.1. For meeting up the past unfunded liabilities of employees appointed before 01.01.2004 erstwhile CSEB State Power Companies, a pension and gratuity trust has been constituted and funding to the same has been allowed in the past by the Commission. ***The contribution to this fund shall be specified by the Commission on the basis of actuarial analysis, expected pension outflow for the State Power Companies and availability of fund with the Pension trust at the time of determination of MYT / ARR for each year of the control period****. The pension outflow shall be met from the Pension and Gratuity Fund. Contribution to the pension fund as approved by the Commission shall be recoverable as specified in this regulations.*

Provided till the time SLDC is administered by STU, SLDC"s share to the Pension and Gratuity Fund shall be met by the STU on pro-rata basis. For the purpose of ratio determination, the employee strength of SLDC and STU as on 1st April of the preceding year shall be considered." ***(emphasis added)***

In response to the Commission's query regarding documentary evidence for the Pension Fund contribution required to be made to the Pension Trust, CSPTCL submitted the Letter No. 03-09/P&G/604 dated 19 November 2024 sent to the Pension Trust by CSPGCL on behalf of the three Companies, viz., CSPTCL, CSPGCL, and CSPDCL, wherein, CSPGCL sought an additional amount of Rs. 50 Crore to the amount claimed by the Pension Trust for FY 2025-26 in the Letter No. P&G Trust/227 dated 14 November 2024. CSPGCL submitted that this total additional claim of Rs. 50 Crore is meagre, given that the 'Net (unfunded) Liability' increased substantially by Rs. 926.88 Crore during FY 2023-24. Further, CSPGCL submitted that bridging such gap in a short period may be challenging but emphasized the necessity of allowing a higher contribution than the base requirement.

In this regard, the Commission is of the view that the overall contribution to the P&G Fund, as claimed by the P&G Trust is based on actuarial analysis, anticipated outflows for the State Power Companies, and availability of funds with the Pension Trust, which is in accordance with the MYT Regulations, 2021. The Commission has hence, been allowing the overall contribution to the Pension Trust in the Tariff Orders, based on the claim made by the Pension Trust. Accordingly, the Commission has approved the contribution towards Pension and Gratuity Fund for FY 2025-26 based on the Chhattisgarh Gratuity and Pension Trust vide Letter No. P&G Trust/227 dated 14 November 2024 amounting to a total of Rs. 1476.22 Crore for FY 2025-26.

Further, in the MYT Order dated 13th April 2022, the Commission has stated as under:

"It is further clarified that if the actual expenses on payment of Gratuity and Pension during the respective year significantly overshoots the estimation, then at the end of the respective year, the Companies may make additional contribution in accordance with their share to meet such additional expense. Subject to prudence check, the same shall be considered at the time of true up."

Hence, in such a situation, the Companies may approach the Commission for necessary relief at the time of true-up for the respective year.

Further, to avoid any confusion and mismatch in the amounts allowed to each Company, the Commission has considered the allocation of each entity in the same ratio as approved in the MYT Order dated 13 April 2022.

The Contribution to the P&G Trust as approved for CSPGCL, CSPTCL, CSLDC and CSPDCL is shown in the table below:

Table 11-5: Approved Contribution to P&G Fund for FY 2025-26 (Rs. Crore)

Entity	% Allocation	FY 2025-26
CSPGCL	27.258%	402.39
CSPTCL	10.240%	151.16
CSLDC	0.252%	3.72
CSPDCL	62.250%	918.95
Total	**100.00%**	**1476.22**

11.5 Gross Fixed Assets

CSPTCL's Submission

CSPTCL submitted that the Commission, in the MYT Order dated 30 April 2016, had approved the methodology for determination of capital structure of GFA into consumer contribution, debt and equity. The capital structure for FY 2025-26 has been considered as follows:

- Closing GFA of FY 2024-25 has been considered as opening GFA for FY 2025-26 and any addition simultaneously as discussed in CIP Petition for FY 2025-26 leads to closing GFA;

- Opening consumer contribution has been considered as approved by the Commission;
- Closing CWIP for FY 2024-25 has been considered as opening CWIP for FY 2025-26 and any addition as discussed in CIP Petition leads to closing CWIP of the said year;
- The loan addition has been considered as 70% of the total asset addition;
- Addition in Consumer Contribution has been considered based on audited accounts;
- Equity addition has been considered as 30% of the total asset addition;
- GFA addition of Rs. 202.98 Crore has been considered for FY 2025-26.

CSPTCL requested the Commission to approve the capital structure and means of finance including GFA addition for FY 2025-26 as shown in the Table below:

Table 11-6: Capital Structure for FY 2025-26 as submitted by CSPTCL (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
A	**GROSS FIXED ASSETS (GFA)**	
1	Opening GFA	6,934.42
2	Opening CWIP	1,273.04
3	Opening Capex	8,207.46
4	Capitalisation during the Year	262.64
5	Closing GFA	7,197.06
6	Closing CWIP	2,934.89
7	Closing Capex	10,131.95
B	**GRANTS & CONSUMER CONTRIBUTION**	
1	Opening Grant and Contribution	194.89
2	Consumer Contribution/Grants during the Year	
3	Closing Consumer Contribution	194.89
4	Consumer Contribution in Opening GFA	139.39
5	Consumer Contribution in Closing GFA	139.39
C	**LOAN BORROWED**	
1	Opening Borrowed Loan	3,533.95
2	Loan Borrowed during the Year	183.85
3	Closing Borrowed Loan	3,717.79
4	Borrowed Loan in Opening GFA	4,552.99
5	Borrowed Loan in Closing GFA	4,736.84
D	**EQUITY**	

Sr. No.	Particulars	FY 2025-26
1	Opening Gross Equity	4,478.62
2	Equity addition during the Year	78.79
3	Closing Gross Equity	6,219.27
4	Gross Equity in Opening GFA	2,242.04
5	Gross Equity in Closing GFA	2,320.83
6	Average Gross Equity during the year	2,281.43
E	**PERMISSIBLE EQUITY**	
1	Permissible Equity in Opening GFA	1,890.53
2	Permissible Equity in Closing GFA	1,969.32
3	Average Gross Permissible Equity during the year	1,929.92
F	**NORMATIVE LOAN**	
1	Opening Normative Loan	351.51
2	Closing Normative Loan	351.51
3	Average Normative Loan	351.51

Commission's View

The closing GFA of FY 2023-24 as approved in this Order has been considered as the opening GFA for FY 2024-25. Capitalisation for FY 2024-25 has been considered as approved in the Tariff Order dated 13 April 2022. Closing GFA of FY 2024-25 has been considered as opening GFA for FY 2025-26.

The Commission observed that CSPTCL in Para 7.4 of the original Petition has claimed GFA addition of Rs. 202.98 Crore. However, the capitalisation claimed as per Table 21 of the original Petition is Rs. 262.64 Crore. Therefore, the Commission asked CSPTCL to justify the discrepancy. In reply, CSPTCL submitted that it has inadvertently considered the incorrect values and the GFA addition for FY 2025-26 should be Rs. 765.44 Crore. Accordingly, CSPTCL revised its Capital Structure for FY 2025-26 as part of its revised Petition.

Further, the Commission observed that the projected capitalisation of Rs. 765.44 Crore for FY 2025-26, is much higher than the capitalisation typically achieved in the past years. CSPTCL has achieved actual average capitalisation of Rs. 374 Crore during the last seven financial years, as against the projected capitalisation of Rs. 765.44 Crore. Therefore, the Commission asked CSPTCL to justify the high projection of capitalisation for FY 2025-26.

In reply, CSPTCL submitted that their current progress supports the feasibility of achieving the capitalisation when assessed from a two-year perspective – CSPTCL has accounted for a capitalisation of Rs. 248.50 Crore for FY 2024-25, followed by Rs. 765.44 Crore in FY 2025-26, cumulatively accounting for a capital investment of Rs. 1013.90 Crore over the span of two years. This approach is based on the expectation of a higher capitalisation in FY 2024-25, which is anticipated to subsequently result in a lower capitalisation figure for FY 2025-26.

However, the Commission is of the view that it may not be appropriate to consider the high level of capitalisation as projected by CSPTCL, as it will result in increase in ARR, and hence, tariff approved for FY 2025-26. Hence, the Commission has considered the capitalisation as Rs. 400 Crore for ARR and Tariff purposes, which is close to the average capitalisation achieved over last seven financial years.

However, it is clarified that CSPTCL is not restricted to the capitalisation considered by the Commission for ARR and Tariff purposes and should take up and complete all the Schemes as per the CIP Petition filed by CSPTCL in Case No. 100 of 2024. Further, the actual capitalisation achieved by CSPTCL shall be considered at the time of true-up for FY 2025-26.

The funding of the capitalisation has been considered in the normative Debt: Equity ratio of 70:30, with Grant/Consumer Contribution being considered as Nil, as submitted by CSPTCL. The actual Grant/Consumer Contribution utilised for capitalisation, if any, shall be considered at the time of true-up for FY 2025-26.

Accordingly, the Commission has approved capitalisation and its funding for FY 2025-26 as shown in the Table below:

Table 11-7: Approved GFA Addition and Means of Finance for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
1	GFA Addition	262.64	765.44	400.00
	Means of Finance			
2	Consumer Contribution	0.00	0.00	0.00
3	Debt	183.85	535.81	280.00
4	Equity	78.79	229.63	120.00
5	**Total Capitalisation**	**262.64**	**765.44**	**400.00**

11.6 Depreciation

CSPTCL's Submission

CSPTCL submitted that it has computed depreciation of Rs. 307.25 Crore for FY 2025-26, in accordance with Regulation 25 of the MYT Regulations, 2021 and the methodology considered by the Commission in the past. The detailed computation of depreciation for FY 2025-26 is shown in the Table below:

Table 11-8: Depreciation for FY 2025-26 as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2025-26
Opening GFA excluding SLDC	6,934.42
Add: Additional capitalization during the year	262.64
GFA at the end of the year excluding SLDC	7,197.06

Particulars	FY 2025-26
Average GFA for the year	7,065.74
Depreciation Rate	5.26%
Depreciation @ rates as per applicable Regulations	371.35
Opening Consumer Contribution	54.04
Addition: Consumer Contribution during the year	-
Closing Consumer Contribution	54.04
Average Consumer Contribution	54.04
Less: Depreciation on consumer contribution on live assets	2.84
Less: Depreciation on fully depreciated assets	61.26
Net Depreciation	**307.25**

Commission's View

The Commission notes that CSPCTCL has submitted the revised computation of Depreciation for FY 2025-26 as part of the revised Petition. This change is due to change in Capitalisation claimed for FY 2025-26 from Rs. 262.64 Crore in the original Petition to Rs. 765.44 Crore claimed in the revised Petition.

The Commission has approved the depreciation in accordance with the provisions of Regulation 25 of the MYT Regulations, 2021 and the approach adopted in the past Orders. The closing GFA approved in the true-up for FY 2023-24 has been considered as the opening GFA for FY 2024-25, and the GFA addition in FY 2024-25 has been considered as approved in the MYT Order. The closing GFA for FY 2024-25 has been considered as the opening GFA for FY 2025-26.

The addition to GFA as well as the addition of Grants and Consumer Contribution in FY 2025-26 has been considered as approved by the Commission in this Chapter earlier. The weighted average depreciation rate of 5.26%, computed on the basis of deprecation rates specified in the MYT Regulations, 2021, has been considered for FY 2025-26.

The depreciation on fully depreciated assets has been considered at the same level as in FY 2023-24, i.e., Rs. 61.26 Crore, for FY 2025-26, and shall be trued up at actuals.

Accordingly, the depreciation computed by the Commission for FY 2025-26 is shown in the following Table:

Table 11-9: Approved Depreciation for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
1	Opening GFA excluding CSLDC	6,934.42	6929.56	6901.17
2	Add: Capitalization during the year	262.64	765.44	400.00
3	GFA at the end of the year excluding CSLDC	7,197.06	7695.00	7301.17
4	Average GFA for the year	7,065.74	7312.28	7101.17
5	Depreciation Rate	5.26%	5.26%	5.26%
6	Depreciation @ applicable rates as per Regulations	371.35	384.31	373.21
7	Opening Consumer Contribution	54.04	54.04	54.04
8	Addition: Consumer Contribution during the year	-	-	-
9	Closing Consumer Contribution	54.04	54.04	54.04
10	Average Consumer Contribution	54.04	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	61.26	61.26	61.26
13	**Net Depreciation**	**307.25**	**320.21**	**309.11**

11.7 Interest on Loan

CSPTCL's Submission

CSPTCL submitted that it has calculated interest and finance charges as per the provisions of Regulation 24 of the MYT Regulations, 2021. CSPTCL has considered the closing balance for FY 2023-24 as the opening balance for FY 2024-25. The debt component of GFA addition has been considered as the loan addition during the year. The allowable depreciation for the respective FY has been considered as the normative repayment for the year. The rate of interest has been computed in accordance with Regulation 24.5. The actual weighted average interest rate of 9.32% for FY 2023-24 has been considered for computation of the interest on loan for FY 2025-26.

The details of computation of interest on loan for FY 2025-26 is shown in the Table below:

Table 11-10: Interest on Loan for FY 2025-26 as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2025-26
Total Opening Net Loan	5,642.64
Repayment during the period	307.25
Additional Capitalization of Borrowed Loan during the year	183.85
Total Closing Net Loan	1,833.04

Particulars	FY 2025-26
Average Loan during the year	1,894.74
Weighted Average Interest Rate	9.32%
Interest Expense for the Period	**176.61**

CSPTCL requested the Commission to approve Interest on Loan of Rs. 176.61 Crore for FY 2025-26.

Commission's View

The Commission notes that CSPCTCL has submitted the revised Interest on Loan for FY 2023-24 as part of the revised Petition. This change is due to change in Capital Structure as submitted in the revised Petition.

The Commission has approved interest on loan capital for FY 2025-26 as per the provisions of Regulation 24 of the MYT Regulations, 2021.

The Commission has considered the closing balance of loan capital as approved in the truing up for FY 2023-24 as the opening balance of loan for FY 2024-25. The addition of normative loan for FY 2024-25 has been considered equivalent to 70% of the capitalisation approved for FY 2024-25 in the Tariff Order dated 13 April 2022. The closing balance of loan for FY 2024-25 has been considered as the opening loan balance for FY 2025-26. The addition of normative loan for FY 2025-26 has been considered based on debt component towards the approved capitalisation for FY 2025-26, as discussed in the earlier section of this Order. The repayment has been considered equal to net depreciation approved for FY 2025-26 in this Order.

The Commission has considered the weighted average rate of interest of 9.32% for FY 2025-26, same as computed for FY 2023-24. Accordingly, the normative interest on loan approved for FY 2025-26 is shown in the Table below:

Table 11-11: Approved Interest on Loan for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
1	Total Opening Net Loan	5,642.64	1,953.42	1,935.78
2	Repayment during the period	307.25	320.21	309.11
3	Loan Addition during the year	183.85	535.81	280.00
4	Total Closing Net Loan	1,833.04	2,169.02	1,906.67
5	Average Loan during the year	1,894.74	2,061.22	1,921.23
6	Weighted Average Interest Rate	9.32%	9.32%	9.32%
7	**Interest Expenses**	**176.61**	**192.13**	**179.08**

11.8 Return on Equity (RoE)

CSPTCL's Submission

CSPTCL has computed Return on Equity (RoE) as per Regulation 23 of the MYT Regulations, 2021, using the base rate of Return on Equity of 14%. CSPTCL has considered the closing permissible equity balance of FY 2023-24 as the opening permissible equity balance for FY 2024-25. The closing permissible equity balance of FY 2024-25 is considered as the opening permissible equity balance for FY 2025-26. The equity addition has been considered as 30% of the projected capitalisation during the year. The details of computation of RoE for FY 2025-26 is shown in the Table below:

Table 11-12: Return on Equity for FY 2025-26 as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2025-26
Permissible Equity in Opening GFA	1,890.53
Addition of permissible equity during the year	78.79
Permissible Equity in Closing GFA	1,969.32
Average Gross Permissible Equity during the year	1,929.92
Rate of Return on Equity	14.00%
Return on Equity	**270.19**

Accordingly, CSPTCL requested the Commission to approve RoE of Rs. 270.19 Crore for FY 2025-26.

Commission's View

The Commission notes that CSPCTCL has submitted the revised computation of Return on Equity for FY 2025-26 as part of the revised Petition. This change is due to change in Capital Structure as submitted in the revised Petition. The Commission has duly considered CSPTCL's submission.

The Commission has approved RoE at base rate of 14% as per Regulation 23 of the MYT Regulations, 2021.

For computation of RoE, the closing equity as approved after True-up for FY 2023-24 has been considered as opening equity for FY 2024-25. The addition of permissible equity for FY 2024-25 has been considered equivalent to 30% of the capitalisation approved for FY 2024-25 in the MYT Order dated 13 April 2022. The permissible equity in closing GFA for FY 2024-25 has been considered as the permissible equity in opening GFA for FY 2025-26. The addition of permissible equity for FY 2025-26 has been considered based on equity component towards the approved capitalisation for FY 2025-26, as discussed in the earlier Chapter of this Order.

The Commission has approved the RoE for FY 2025-26 as shown in the Table below:

Table 11-13: Approved Return on Equity for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
1	Permissible Equity in Opening GFA	1,890.53	1,889.06	1,880.55
2	Addition of Permissible Equity during the year	78.79	229.63	120.00

Sr. No.	Particulars	Original Petition	Revised Petition	Approved
3	Permissible Equity in Closing GFA	1,969.32	2,118.70	2,000.55
4	Average Gross Permissible Equity during the year	1,929.92	2,003.88	1,940.55
5	Rate of Return on Equity	14.00%	14%	14%
6	**Return on Equity**	**270.19**	**280.54**	**271.68**

Accordingly, the Commission approves the Return on Equity of Rs. 271.68 Crore for FY 2025-26.

11.9 Interest on Working Capital

CSPTCL's Submission

For computation of Interest on Working Capital (IoWC) for FY 2025-26, CSPTCL has considered O&M expenses for fifteen days, maintenance spares at 20% of M&G expenses, and receivables equivalent to one month of fixed cost, for computing the working capital requirement. CSPTCL has considered the interest rate of 10.95% (SBI MCLR rate on 30 September 2024, i.e., 8.95%, plus 200 basis points) for FY 2025-26. The computation of IoWC for FY 2025-26 as submitted by CSPTCL is shown in the Table below:

Table 11-14: Interest on Working Capital for FY 2025-26 as submitted by CSPTCL (Rs. Crore)

Particulars	FY 2025-26
O&M for 15 days	18.68
Maintenance Spares – 20% of M&G Expenses	27.46
Receivables – 1 Month of Fixed Cost	165.53
Total WC requirement	**211.67**
Less: Security Deposit from Transmission Users	-
Net Working Capital Requirement	**211.67**
Rate of Interest on WC	10.95%
Net Interest on Working Capital	**23.18**

Accordingly, CSPTCL requested the Commission to approve IoWC of Rs. 23.18 Crore for FY 2025-26.

Commission's View

The Commission notes that CSPTCL has revised the Interest on Working Capital claimed for FY 2025-26 to Rs. 17.76 Crore, as submitted in Errata and Corrigendum listing. The Commission has duly considered CSPTCL's submission.

The Commission has computed IoWC in accordance with Regulation 26 of the MYT Regulations, 2021. For computation of working capital requirement as per the formula specified in the MYT Regulations, 2021, the Commission has considered the normative value of O&M expenses as approved in this Order for computation of the O&M expenses for fifteen days. Further, the receivables for 45 days have been considered equal to the estimated revenue for FY 2025-26, in accordance with the amendment to the MYT Regulations, 2021. The interest rate has been considered as per Regulation 26.4 of the MYT Regulations, 2021, i.e., 10.95% (SBI MCLR rate as on the date of filing the Petition, i.e., 8.95%, plus 200 basis points) for FY 2025-26. The normative IoWC approved by the Commission for FY 2025-26 is shown in the Table below:

Table 11-15: Approved Interest on Working Capital for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Submission	Approved
1	O&M expenses for fifteen days	18.68	18.60	18.24
2	Maintenance Spares @ 20% of M&G Expenses	27.46	27.06	27.24
3	Receivables @ 45 Days	165.53	116.53	165.95
4	**Total Working Capital requirement**	**211.67**	**162.19**	**211.43**
5	Rate of Interest on Working Capital	10.95%	10.95%	10.95%
6	**Interest on Working Capital**	**23.18**	**17.76**	**23.15**

Accordingly, the Commission approves the normative IoWC of Rs. 23.15 Crore for FY 2025-26.

11.10 Non-Tariff Income

CSPTCL's Submission

CSPTCL has claimed the Non-Tariff Income of Rs. 45.48 Crore for FY 2025-26, which is same as the amount claimed in the final true-up for FY 2023-24. CSPTCL requested the Commission to approve the same.

Commission's View

For the purpose of determination of ARR for FY 2025-26, the Commission has considered the Non-Tariff Income for Transmission Business same as the amount approved in the final true-up for FY 2023-24.

Accordingly, the Commission has approved Non-Tariff Income of Rs. 59.46 Crore for FY 2025-26, as shown in the Table below:

Table 11-16: Approved Non-Tariff Income for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Non-Tariff Income	45.48	59.46

11.11 Aggregate Revenue Requirement (ARR)

Based on the above, the ARR approved for FY 2025-26 is shown in the Table below:

Table 11-17: Approved ARR for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Submission	Approved
A	**O&M Expenses**	**610.87**	**608.88**	**594.97**
1	Employee Expenses	317.25	317.25	307.61
2	A&G Expenses	66.00	65.82	67.02
3	R&M Expenses	71.30	69.49	69.18
4	Terminal Benefits	156.32	156.32	151.16
B	**Interest and Finance Charges**	**199.79**	**209.89**	**202.23**
1	Interest on Loan	176.61	192.13	179.08
2	Interest on Working capital	23.18	17.76	23.15
C	**Other Expenses**	**577.41**	**600.75**	**580.79**
1	Depreciation	307.25	320.21	309.11
2	Return on Equity	270.19	280.54	271.68
D	**Total**	**1,388.10**	**1,419.52**	**1,378.00**
E	Less: Non-Tariff Income	45.48	45.48	59.46
F	**Aggregate Revenue Requirement**	**1,342.61**	**1,374.04**	**1,318.54**

11.12 Cumulative Revenue Gap / (Surplus) for FY 2025-26

CSPTCL's Submission

CSPTCL has submitted the Cumulative Revenue Gap/(Surplus) for FY 2025-26, including applicable carrying cost, as shown in the Table below:

Table 11-18: Cumulative Gap/(Surplus) submitted by CSPTCL for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Gap/(Surplus)	-	40.27	43.90
2	Standalone Gap/(Surplus)	38.75	-	(43.90)
3	Closing Gap/(Surplus)	38.75	40.27%	-
4	Interest Rate	7.85%	9.00%	9.00%
5	Carrying Cost	1.52	3.62	1.98
6	**Total Closing Gap/(Surplus)**	**40.27**	**43.90**	**45.87**

Commission's View

The Commission notes that CSPTCL has revised the total gap including carrying cost till FY 2025-26 to Rs. 43.72 Crore in the Errata and Corrigendum listing based on the revised ARR submitted as part of the revised Petition.

The Commission has determined the Revenue Gap for FY 2023-24 after true-up, as Rs. 23.32 Crore, as detailed in the earlier Chapter of this Order. Including the associated carrying cost, the total amount to be recovered in FY 2025-26 works out to Rs. 27.52 Crore. For the purpose of computing the carrying cost, the Commission has considered the actual rate of interest on Working Capital for FY 2023-24 as approved in this Order, for all years from FY 2023-24 to FY 2025-26. This methodology aligns with the approach adopted by the Commission in its previous Order. The detailed computation of Cumulative Revenue Gap/(Surplus) for FY 2025-26 is shown in the Table below:

Table 11-19: Cumulative Gap/(Surplus) approved for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Gap/(Surplus)	-	24.32	26.39
2	Standalone Gap/(Surplus)	23.32	-	(26.39)
3	Closing Gap/(Surplus)	23.32	24.32	-
4	Interest Rate	8.53%	8.53%	8.53%
5	Carrying Cost	1.00	2.08	1.13
6	**Total Closing Gap/(Surplus)**	**24.32**	**26.39**	**27.52**

The Revenue Gap of Rs. 27.52 Crore has been adjusted against the approved ARR for FY 2025-26.

11.13 Adjusted ARR for FY 2025-26

CSPTCL's Submission

CSPTCL has computed the Cumulative Revenue Gap/(Surplus) for FY 2025-26, as shown in the Table below:

Table 11-20: Adjusted ARR submitted by CSPTCL for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Amount
1	ARR proposed for FY 2025-26	1,342.61
2	Add: Gap/(Surplus) after true-up for FY 2023-24 with Carrying cost	45.87
3	**Adjusted ARR for FY 2025-26**	**1,388.48**

Commission's View

The Commission has considered the Revenue Gap of Rs. 23.32 Crore approved after true up for FY 2023-24 along with carrying cost, which amounts to Rs. 27.52 Crore. This Revenue Gap has been added to the approved ARR for FY 2025-26, as shown in the Table below:

Table 11-21: Adjusted Approved ARR for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	Original Petition	Revised Submission*	Approved
1	ARR approved for FY 2025-26	1,342.61	1,374.04	1,318.54
2	Add: Gap/(Surplus) with Carrying cost	45.87	43.72	27.52
3	**Adjusted ARR for FY 2025-26**	**1,388.48**	**1,417.76**	**1,346.06**

**As submitted in Errata and Corrigendum Listing*

11.14 Transmission Charges for FY 2025-26

CSPTCL's Submission

CSPTCL submitted that as per Clause 33 of CSERC (Connectivity and Intra-State Open Access) Regulations, 2011 and the amendment in the CSERC (Connectivity and Intra-State Open Access) (First Amendment) Regulations, 2012, Open Access charges for using the State Grid have been defined. CSPTCL has determined the short-term Open Access charges for FY 2025-26 by considering the projected maximum demand of 6372 MW. The estimated energy input to be handled by CSPTCL's system for FY 2025-26, based on load factor of 70% on maximum demand met, has been considered as 39073.10 MU.

Table 11-22: Proposed STOA Charges for FY 2025-26

Sr. No.	Particulars	FY 2025-26*
1	Adjusted ARR for FY 2025-26 (Rs. Crore)	1,388.48
2	Max Demand Projected in MW	6372
3	Energy Input in MU considering 70% Load Factor	39073.10
4	**STOA Charges in Paisa/kWh**	**35.54**

**As submitted in Corrigendum filed by CSPTCL dated 6 December 2024*

Commission's View

Regulations 71.2 and 71.2 of the MYT Regulations, 2021 specify as under:

"71.1. Annual Transmission Charges for each year of the Control Period: The Annual Transmission Charges for each financial year of the Control Period shall provide for the recovery of the Aggregate Revenue Requirement of the transmission licensee / STU for the respective financial year of the Control Period, reduced by the amount of Non-Tariff Income and income from other business, as approved by the Commission:

71.2. The Annual Transmission Charges of the transmission licensee shall be determined by the Commission on the basis of an application for determination of Aggregate Revenue Requirement made by the transmission licensee in accordance with Chapter - 2 of this Regulation."

As per the MYT Regulations, 2021, the annual transmission charges (fixed cost) shall be recovered from the users of CSPTCL's system on a monthly basis as per the methodology specified in the CSERC Open Access Regulations, 2011. According to the CSERC Open Access Regulations, 2011, the basis of sharing monthly transmission charge shall be maximum demand in MW served by CSPTCL's system in the previous financial year.

The Commission has considered Maximum Demand in the State for FY 2025-26 as 6372 MW, as estimated by CSPTCL. The estimated energy input to be handled by CSPTCL's system for FY 2025-26, based on load factor of 70% on Maximum Demand met, is computed as 39073.10 MU. Accordingly, the Transmission Charges for STOA for FY 2025-26 have been determined as shown in the Table below:

Table 11-23: Approved STOA Charges for CSPTCL for FY 2025-26

Sr. No.	Particulars	Original Petition#	Revised Submission*	Approved
1	**Adjusted ARR for FY 2025-26 (Rs. Crore)**	**1,388.48**	**1,417.76**	**1,346.06**
2	Max Demand Projected in MW	6372	6372	6372
3	Energy Input in MU considering 70% Load Factor	39073.10	39073.10	39073.10
4	**STOA Charges in Paisa/kWh**	**35.54**	**36.28**	**34.45**

#As submitted in Corrigendum dated 6 December 2024
**As submitted in Errata and Corrigendum Listing*

12 ARR AND SLDC CHARGES FOR FY 2025-26

12.1 Background

The Commission, vide Order dated 24 October 2024, directed the Licensees and Generating Companies to file the Tariff Petition for FY 2025-26 along with the true-up Petition for FY 2023-24 in accordance with the provisions of the Act and broadly following the principles specified in prevailing MYT Regulations, 2021.

Accordingly, CSLDC submitted the present Petition for determination of ARR and SLDC Charges for FY 2025-26 in accordance with the MYT Regulations, 2021 and the directions of the Commission vide Order dated 24 October 2024. Further, CSLDC has submitted that it has made projections for FY 2025-26 based on the following:

- True-up for FY 2023-24 which is based on audited accounts as discussed in the earlier chapter;
- GFA Additions as discussed in CIP Petition for FY 2025-26;
- Escalation of some of the components based on Inflation Indices i.e., WPI and CPI.

The Commission observed several discrepancies and inconsistencies in the Petition submitted by CSLDC. Accordingly, the Commission directed CSLDC to submit a comprehensive *Errata and Corrigendum*, clearly outlining all identified errors along with the corresponding corrections. In compliance with this directive, CSLDC submitted a revised Petition along with a detailed *Errata and Corrigendum*, which the Commission has duly considered.

12.2 Annual Charges for SLDC

Regulation 101.1 of the CSERC MYT Regulations, 2021 specifies the components of Annual Charges for SLDC as under:

(a) Return on equity;

(b) Interest on loan capital;

(c) Depreciation;

(d) O&M expenses:

  a) HR expenses

    (i) Employee expenses;

    (ii) Impact of Pay revision;

    (iii) Manpower deployed on outsourcing basis;

  b) M&G expenses;

(e) Pension & Gratuity fund contribution; and

(f) Interest on working capital

12.3 Operation and Maintenance (O&M) Expenses

CSLDC's Submission

CSLDC submitted that O&M expenses include Human Resource expenses and Maintenance & General expenses. Further, CSLDC submitted that O&M expenses for FY 2025-26 have been derived based on WPI/CPI increase over the Audited figures for FY 2023-24. Further, escalation of two years is used for arriving at the figures of FY 2025-26. The O&M Expenses projected by CSLDC for FY 2025-26 is shown in the Table below:

Table 12-1: O&M Expenses submitted by CSLDC for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
1	HR Expenses	12.29
2	A&G Expenses	0.93
3	R&M Expenses	1.47
4	**Net O&M Expenses**	**14.69**

Commission's View

As regards O&M Expenses, Regulation 101.5 of the MYT Regulations, 2021 specifies as under:

*"**101.5 Operation and Maintenance expenses***

101.5.1. Human Resource (HR) Expenses

a) HR expenses shall include:

(i) Employee costs;

(ii) Impact of Pay revision;

(iii) Manpower deployed on outsourcing basis;

(iv) Pension & Gratuity fund contribution

b) The Commission shall stipulate a separate trajectory for each of the components of HR expenses for the Control Period.

c) The HR expenses includes employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing basis, pension fund contribution, and any other expense of non-recurring nature related to HR. The base year i.e., FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of the pay revision arrears and any other expense of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.

d) The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI(IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value of FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expense (excluding impact of pension fund contribution and pay revision and any other expense of non-

recurring nature, if any) for each year of the control period.

e) *At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism.*

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

f) *CPI (IW) (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}*

101.5.2. Maintenance & General (M&G) Expenses

a) *Maintenance & General (M&G) expenses shall include:*

   (i) *Administrative and General (A&G) expenses;*

   (ii) *Repair and Maintenance (R&M) expenses*

b) *The Commission shall stipulate a separate trajectory for each of the components of M&G expenses viz., R&M and A&G expenses for the Control period.*

   Provided further that in all the cases the additional O&M cost incurred due to additional capital investment or ay change in law or any direction by any statutory authority shall be pass through over and above the O&M charges allowed in the Tariff Order after prudence check by the Commission.

c) *The A&G expenses (excluding expenses towards outsourcing manpower) (A&G) and R&M expenses(excluding expenses towards outsourcing manpower) (R&M) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower) and R&M expenses(excluding expenses towards outsourcing manpower), respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.*

d) *The normalization of R&M expenses shall be done by applying last five year average increase/decrease in Wholesale Price Index (WPI) of all commodities on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22.*

e) *For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2020-21.*

f) *The projected base year value shall be escalated by the above inflation rate to estimate the A&G and R&M expenses for each year of the Control Period.*

g) *Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry of Commerce & Industry, Government of India {Base Year: 2011-12 Series};*

h) *Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001=100}*

i) *At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.*

The Commission has considered escalation factor of 5.78% (5-year average inflation rate, 100% CPI weightage) to calculate HR Expenses, escalation factor of 5.44% (5-year average inflation rate @ 40% WPI and 60% CPI weightage) to calculate A&G expenses, and escalation factor of 4.93 % (5-year average inflation rate, 100% WPI weightage) to calculate R&M expenses for FY 2025-26. These escalation rates have been applied to net actual HR Expenses for FY 2023-24 and the revised normative M&G Expenses for FY 2023-24, as approved in this Order to arrive at the normative O&M Expenses for FY 2025-26.

The summary of yearly inflation and the average inflation considered for projecting the HR expenses, A&G expenses and R&M expenses is shown in the Table below:

Table 12-2: Computation of Inflation Rate for projections (%)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Average of 5 years increase
CPI – IW (%)	7.53%	5.02%	5.13%	6.05%	5.19%	**5.78%**
WPI – AC (%)	1.68%	1.27%	13.02%	9.40%	-0.74%	**4.93%**
WPI @ 40% & CPI @ 60%	5.19%	3.52%	8.28%	7.39%	2.82%	**5.44%**

Accordingly, the Commission has approved the normative O&M expenses for FY 2025-26 as shown in the Table below:

Table 12-3: Normative O&M Expenses for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	HR Expenses	12.29	12.53
2	A&G Expenses	0.93	1.12
3	R&M Expenses	1.47	1.83
	Total	**14.69**	**15.49**

12.4 Contribution to Pension and Gratuity Fund

CSLDC's Submission

CSLDC submitted that contribution towards P&G Fund for FY 2025-26 has been claimed as per the latest Actuarial Valuation Report.

Accordingly, CSLDC has requested the Commission to approve contribution towards Pension and Gratuity Fund, as shown in the Table below:

Table 12-4: Contribution to P&G Fund submitted by CSLDC (Rs. Crore)

Particulars	FY 2025-26
Contribution to P&G Fund	3.85

Commission's View

Regulation 34 of the MYT Regulations, 2021 specifies as under:

"34. PENSION FUND

34.1. For meeting up the past unfunded liabilities of employees appointed before 01.01.2004 erstwhile CSEB State Power Companies, a pension and gratuity trust has been constituted and funding to the same has been allowed in the past by the Commission. ***The contribution to this fund shall be specified by the Commission on the basis of actuarial analysis, expected pension outflow for the State Power Companies and availability of fund with the Pension trust at the time of determination of MYT / ARR for each year of the control period****. The pension outflow shall be met from the Pension and Gratuity Fund. Contribution to the pension fund as approved by the Commission shall be recoverable as specified in this regulations.*

Provided till the time SLDC is administered by STU, SLDC"s share to the Pension and Gratuity Fund shall be met by the STU on pro-rata basis. For the purpose of ratio determination, the employee strength of SLDC and STU as on 1st April of the preceding year shall be considered." ***(emphasis added)***

In response to the Commission's query regarding documentary evidence for the Pension Fund contribution required to be made to the Pension Trust, CSPTCL submitted the Letter No. 03-09/P&G/604 dated 19 November 2024 sent to the Pension Trust by CSPGCL on behalf of the three Companies, viz., CSPTCL, CSPGCL, and CSPDCL, wherein, CSPGCL sought an additional amount of Rs. 50 Crore to the amount claimed by the Pension Trust for FY 2025-26 in the Letter No. P&G Trust/227 dated 14 November 2024. CSPGCL submitted that this total additional claim of Rs. 50 Crore is meagre, given that the 'Net (unfunded) Liability' increased substantially by Rs. 926.88 Crore during FY 2023-24. Further, CSPGCL submitted that bridging such gap in a short period may be challenging but emphasized the necessity of allowing a higher contribution than the base requirement.

In this regard, the Commission is of the view that the overall contribution to the P&G Fund, as claimed by the P&G Trust is based on actuarial analysis, anticipated outflows for the State Power Companies, and availability of funds with the Pension Trust, which is in accordance with the MYT Regulations, 2021. The Commission has hence, been allowing the overall contribution to the Pension Trust in the Tariff Orders, based on the claim made by the Pension Trust. Accordingly, the Commission hereby approves the contribution towards Pension and Gratuity Fund for FY 2025-26 based on the Chhattisgarh Gratuity and Pension Trust vide letter No. P&G Trust/227 dated 14 November 2024 amounting to a total of Rs. 1476.22 Crore for FY 2025-26.

Further, in the MYT Order dated 13th April 2022, the Commission has stated as under:

"It is further clarified that if the actual expenses on payment of Gratuity and Pension during the respective year significantly overshoots the estimation, then at the end of the respective year, the Companies may make additional contribution in accordance with their share to meet such additional expense. Subject to prudence check, the same shall be considered at the time of true up."

Hence, in such a situation, the Companies may approach the Commission for necessary relief at the time of true-up for the respective year.

Further, to avoid any confusion and mismatch in the amounts allowed to each company, the Commission has considered the allocation of each entity in the same ratio as approved in the MYT Order dated 13 April 2022.

The Contribution to the P&G Trust as approved for CSPGCL, CSPTCL, CSLDC and CSPDCL is shown in the table below:

Table 12-5: Contribution to P&G Fund for FY 2025-26 as approved by the Commission (Rs. Crore)

Entity	% Allocation	FY 2025-26
CSPGCL	27.258%	402.39
CSPTCL	10.240%	151.16
CSLDC	0.252%	3.72
CSPDCL	62.250%	918.95
Total	**100.00%**	**1476.22**

12.5 Gross Fixed Assets

CSLDC's Submission

CSLDC submitted that capital structure for FY 2025-26 has been determined based on methodology adopted by the Commission in the previous Orders and considering the following:

- Closing GFA of FY 2024-25 has been considered as opening GFA for FY 2025-26 and addition during the year has been considered as submitted in the CIP Petition;

- The loan addition has been considered as 70% of the total asset addition;
- Addition in consumer contribution has been considered as NIL;
- Equity addition has been considered as 30% of the total asset addition;
- GFA addition of Rs. 102.90 Crore has been considered for FY 2025-26 based on schedule and plan submitted in Capital Investment Plan Petition.

CSLDC requested the Commission to approve the capital structure for FY 2025-26 as shown in the Table below:

Table 12-6: GFA for FY 2025-26 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particular	FY 2025-26
1	Opening GFA	33.02
2	Add: Capitalization During the Year	102.90
3	**Closing GFA**	135.92
4	**Average GFA**	**84.47**

Commission's View

The closing GFA of FY 2023-24 as approved in this Order has been considered as the opening GFA for FY 2024-25. Capitalisation for FY 2024-25 has been considered as approved in the Tariff Order dated 13 April 2022. Closing GFA of FY 2024-25 has been considered as opening GFA for FY 2025-26.

The Commission observed that CSLDC has projected capitalisation of Rs. 102.90 Crore for FY 2025-26, which is much higher than the capitalisation typically achieved in the past years. CSLDC was asked to justify the high projection of capitalisation for FY 2025-26.

In reply, CSLDC submitted that a significant portion of the proposed capital investment is allocated towards software-based solutions, including SCADA (Supervisory Control and Data Acquisition) and SAMAST (Scheduling, Accounting, Metering, and Settlement of Transactions), which are critical for the real-time monitoring, control, and efficient management of grid operations. These systems will enhance CSLDC's ability to handle increasing grid complexities, improve data analytics, and facilitate better decision-making, thereby aligning with the evolving demands of the power sector.

The Commission has not considered the capitalisation of Rs. 76.30 Crore in FY 2025-26 against the SCADA component, as the project is not expected to be completed in FY 2025-26, as confirmed during the Technical Validation Session (TVS). Capitalisation of Rs. 20.52 Crore has been considered in FY 2024-25 as per MYT Order. Additionally, an amount of Rs. 9.52 Crore pertaining to the SAMAST scheme has been excluded, as it is grant-funded (as clarified in the reply submitted post-TVS). However, it is clarified that the actual capitalisation achieved by CSLDC shall be considered at the time of true-up for FY 2025-26.

Further, normative Debt: Equity ratio of 70:30 has been considered as per Regulation

17 of the MYT Regulations, 2021.

Accordingly, the Commission has approved the GFA addition and its funding for FY 2025-26 as shown in the Table below:

Table 12-7: GFA Addition and Means of Finance for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Opening GFA	33.02	42.78
2	Add: Capitalization During the Year	102.90	7.32
3	Closing GFA	135.92	50.10
4	Average of Opening and Closing GFA	84.47	46.44
5	Equity	30.87	2.20
4	Debt	72.03	5.12

12.6 Depreciation

CSLDC's Submission

CSLDC submitted that it has computed depreciation of Rs. 4.44 Crore for FY 2025-26, in accordance with Regulation 25 of the MYT Regulations, 2021 and the methodology considered by the Commission in the past. The detailed computation of depreciation for FY 2025-26 is shown in the Table below:

Table 12-8: Depreciation for FY 2025-26 (Rs. Crore)

Particulars	FY 2025-26
Opening GFA	33.02
Add: Capitalization during the year	102.90
Closing GFA	135.92
Average GFA for the year	84.47
Depreciation Rate	5.26%
Net Depreciation	**4.44**

Commission's View

The Commission has approved the depreciation in accordance with the provisions of Regulation 25 of the MYT Regulations, 2021 and the approach adopted in the past Orders. The closing GFA approved in the true-up for FY 2023-24 has been considered as the opening GFA for FY 2024-25, and the GFA addition in FY 2024-25 has been considered as approved in the MYT Order. The closing GFA for FY 2024-25 have been considered as the opening GFA for FY 2025-26. The weighted average depreciation rate of 5.26%, computed on the basis of deprecation rates specified in the MYT Regulations, 2021, has been considered for FY 2025-26.

Accordingly, the depreciation computed by the Commission for FY 2025-26 is shown in the Table below:

Table 12-9: Depreciation for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Opening GFA	33.02	42.78
2	Add: Capitalization during the year	102.90	7.32
3	Closing GFA	135.92	50.10
4	Average GFA for the year	84.47	46.44
5	Depreciation Rate	5.26%	5.26%
6	**Net Depreciation**	**4.44**	**2.44**

12.7 Interest on Loan

CSLDC's Submission

CSLDC submitted that it has calculated interest and finance charges as per the provisions of Regulation 24 of the MYT Regulations, 2021. CSLDC has considered the closing balance for FY 2024-25 as the opening balance for FY 2025-26. The debt component of GFA addition has been considered as the loan addition during the year. The allowable depreciation for the respective FY has been considered as the normative repayment for the year. The rate of interest has been computed in accordance with Regulation 24.5. The actual weighted average interest rate of 9.32% for FY 2023-24 has been considered for computation of the interest on loan for FY 2025-26.

The details of computation of interest on loan for FY 2025-26 is shown in the Table below:

Table 12-10: Interest on Loan for FY 2025-26 as submitted by CSLDC (Rs. Crore)

Particulars	FY 2025-26
Total Opening Net Loan	9.02
Repayment during the period	4.44
Additional Capitalization of Borrowed Loan during the year	72.03
Total Closing Net Loan	76.61
Average Loan during the year	42.82
Weighted Average Interest Rate	9.32%
Interest Expense for the Period	**3.99**

Commission's View

The Commission has approved interest on loan capital for FY 2025-26 as per the provisions of Regulation 24 of the MYT Regulations, 2021.

The Commission has considered the closing balance of loan capital as approved in the truing up for FY 2023-24 as the opening balance of loan for FY 2024-25. The addition of normative loan for FY 2024-25 has been considered equivalent to 70% of the capitalisation approved for FY 2024-25 in the MYT Order dated 13 April 2022. The closing balance of loan for FY 2024-25 has been considered as the opening loan balance for FY 2025-26. The addition of normative loan for FY 2025-26 has been considered based on debt component towards the approved capitalisation for FY 2025-26, as discussed in the earlier section of this Order. The repayment has been considered equal to net depreciation approved for FY 2025-26 in this Order.

The Commission has considered the weighted average rate of interest of 9.32% for FY 2025-26, same as computed for FY 2023-24. Accordingly, the normative interest on loan approved for FY 2025-26 is shown in the Table below:

Table 12-11: Interest on Loan for FY 2025-26 as approved by the Commission (Rs. Crore)

Particulars	Petition	Approved
Total Opening Net Loan	9.02	15.60
Repayment during the period	4.44	2.44
Additional Capitalization of Borrowed Loan during the year	72.03	5.12
Total Closing Net Loan	76.61	18.28
Average Loan during the year	42.82	16.94
Weighted Average Interest Rate	9.32%	9.32%
Interest Expense	**3.99**	**1.58**

12.8 Return on Equity (RoE)

CSLDC's Submission

CSLDC has computed Return on Equity (RoE) as per Regulation 23 of the MYT Regulations, 2021, using the base rate of Return on Equity of 14%. The equity addition has been considered as 30% of the projected capitalisation during the year. The details of computation of RoE for FY 2025-26 is shown in the Table below:

Table 12-12: Return on Equity for FY 2023-24 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
1	Opening Normative Equity	10.28
2	Normative Addition During the Year	30.87
3	Closing Normative Equity	41.15

Sr. No.	Particulars	FY 2025-26
4	Average Normative Equity	25.71
5	Rate of Return on Equity	14.00%
6	**Return on Equity**	**3.60**

Commission's View

The Commission has approved RoE at base rate of 14% as per Regulation 23 of the MYT Regulations, 2021.

For computation of RoE, the closing equity as approved after True-up for FY 2023-24 has been considered as opening equity for FY 2024-25. The addition of permissible equity for FY 2024-25 has been considered equivalent to 30% of the capitalisation approved for FY 2024-25 in the MYT Order dated 13 April 2022. The permissible equity in closing GFA for FY 2024-25 has been considered as the permissible equity in opening GFA for FY 2025-26. The addition of permissible equity for FY 2025-26 has been considered based on equity component towards the approved capitalisation for FY 2025-26, as discussed in the earlier section of this Order. The Commission has approved RoE for FY 2025-26 considering the base rate of RoE as 14%. As CSLDC is not a separate entity, there is no incidence of Income Tax.

Accordingly, the Commission approves the RoE for FY 2025-26 as shown in the Table below:

Table 12-13: Return on Equity for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Permissible Equity in Opening GFA	10.28	13.20
2	Addition of Permissible Equity during the year	30.87	2.20
3	Permissible Equity in Closing GFA	41.15	15.40
4	Average Gross Permissible Equity during the year	25.71	14.30
5	Rate of Return on Equity	14.00%	14.00%
6	**Return on Equity**	**3.60**	**2.00**

12.9 Interest on Working Capital (IoWC)

CSLDC's Submission

CSLDC has considered IoWC as per Regulation 26 of the MYT Regulations, 2021. For computation of IoWC, CSLDC has considered projected O&M expenses of 15 days, maintenance spares at 20% of Maintenance and General expenses (M&G) and receivables equivalent to one month of fixed cost. CSLDC has considered the interest rate of 10.95% (SBI MCLR rate on 30 September 2024 which was 8.95% plus 200 basis points) for FY 2025-26. The computation of IoWC for FY 2025-26 as submitted by CSLDC is shown in the Table below .

Table 12-14: Interest on Working Capital for FY 2025-26 as submitted by CSLDC (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
1	O&M expenses for fifteen days	0.60
2	Maintenance Spares @ 20% of M&G Expenses	0.48
3	Receivables @ 1 month	2.54
4	**Total Working Capital requirement**	**3.62**
5	Rate of Interest on Working Capital	10.95%
6	**Interest on Working Capital**	**0.40**

Commission's View

The Commission has computed IoWC in accordance with Regulation 26 of the MYT Regulations, 2021. For computation of working capital requirement as per the formula specified in the MYT Regulations, 2021, the Commission has considered the normative value of O&M expenses as approved in this Order for computation of the O&M expenses for fifteen days and maintenance spares at 20% of Maintenance and General expenses (M&G). Further, the receivables for 45 days have been considered equal to the adjusted ARR for FY 2025-26, in accordance with the amendment to the MYT Regulations, 2021. The interest rate has been considered as per Regulation 26.4 of the MYT Regulations, 2021, i.e., 10.95% (SBI MCLR rate as on the date of filing the Petition which was 8.95% plus 200 basis points) for FY 2025-26. The normative IoWC approved by the Commission for FY 2025-26 is shown in the Table below:

Table 12-15: Interest on Working Capital for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	O&M expenses for fifteen days	0.60	0.64
2	Maintenance Spares @ 20% of M&G Expenses	0.48	0.59
3	Receivables @ 45 Days	2.54	2.99
4	**Total Working Capital requirement**	3.62	4.22
5	Rate of Interest on Working Capital	10.95%	10.95%
6	**Interest on Working Capital**	**0.40**	**0.46**

12.10 Non-Tariff Income

CSLDC's Submission

CSLDC has claimed the Non-Tariff Income of Rs. 0.48 Crore for FY 2025-26, which is same as the amount claimed in the final true-up for FY 2023-24. CSLDC requested the Commission to approve the same.

Commission's View

The Commission has considered the Non-Tariff Income for FY 2025-26 at the same level as that approved in Truing up of FY 2023-24, i.e. Rs. 0.48 Crore, as shown in the table below:

Table 12-16: Non-Tariff Income for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	Non-Tariff Income	0.48	0.48

12.11 Annual Revenue Requirement for FY 2025-26

Based on the approved components of the ARR, the Commission has approved the ARR for FY 2025-26 as shown in the Table below:

Table 12-17: ARR for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No	Particulars	Petition	Approved
A	**O&M Expenses**	**18.54**	**19.20**
1	Employee Expenses	12.29	12.53
2	A&G Expenses	0.93	1.12
3	R&M Expenses	1.47	1.83
4	Terminal Benefits	3.85	3.72
B	**Interest and Finance Charges**	**4.39**	**2.04**
1	Interest on Loan	3.99	1.58
2	Interest on Working capital	0.40	0.46
C	**Other Expenses**	**8.04**	**4.44**
1	Depreciation	4.44	2.44
2	Return on Equity	3.60	2.00
D	**Total**	**30.00**	**24.73**
E	**Less: Non-Tariff Income**	**0.48**	**0.48**
F	**Aggregate Revenue Requirement**	**30.48**	**25.21**

12.12 Cumulative Gap / (Surplus) for FY 2025-26

CSLDC's Submission

CSLDC has submitted Cumulative Gap/(Surplus for FY 2025-26, as shown in the Table below:

Table 12-18: Cumulative Gap/(Surplus) submitted by CSLDC for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Gap/(Surplus)	0.00	(0.90)	(0.98)
2	Standalone Gap/(Surplus)	(0.87)	-	-
3	Closing Gap/(Surplus)	(0.87)	(0.90)	(0.98)
4	Interest Rate	7.85%	9.00%	10.95%
5	Carrying Cost/(Holding Cost)	(0.03)	(0.08)	(0.05)
6	**Total Closing Gap/(Surplus)**	**(0.90)**	**(0.98)**	**(1.04)**

Commission's View

The Commission has determined the Revenue Surplus of Rs. 0.79 Crore for FY 2023-24. Including the associated holding cost, the total amount to be recovered in FY 2025-26 is Rs. 0.98 Crore. For the purpose of computing the holding cost pertaining to FY 2023-24, to be recovered in FY 2025-26, the Commission has considered the actual rate of interest on Working Capital for FY 2023-24 approved in this Order. This methodology aligns with the approach adopted by the Commission in its previous Order. The detailed computation of cumulative gap/(surplus) for FY 2025-26 is shown in the Table below:

Table 12-19: Cumulative Gap/(Surplus) approved for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
1	Opening Gap/(Surplus)	-	(0.83)	(0.90)
2	Standalone Gap/(Surplus)	(0.79)	-	-
3	Closing Gap/(Surplus)	(0.79)	(0.83)	(0.90)
4	Interest Rate	8.53%	8.53%	8.53%
5	Carrying Cost/(Holding Cost)	(0.03)	(0.07)	(0.08)
6	**Total Closing Gap/(Surplus)**	**(0.83)**	**(0.90)**	**(0.98)**

The Revenue Surplus of Rs. 0.98 Crore has been adjusted against the approved ARR for FY 2025-26.

12.13 SLDC Charges for FY 2025-26

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 MYT Regulations, 2021. In accordance with the

Regulations, 80% of the annual SLDC Charges determined above for FY 2025-26 have been allocated to System Operation Charges, and 20% of the annual SLDC Charges determined as above for FY 2025-26 have been allocated to intra-State Market Operation Charges.

CSLDC has projected net ARR for FY 2025-26 as Rs. 30.48 Crore. CSLDC has computed adjusted ARR for FY 2025-26 by considering net ARR of Rs. 30.48 Crore and Surplus arrived for FY 2023-24 along with holding cost of Rs. 1.04 Crore, as discussed in the true up Chapter of this Order. Accordingly, CSLDC has requested the Commission to approve total SLDC charges as Rs. 29.44 Crore, as shown in the Table below:

Table 12-20: SLDC Charges claimed by CSLDC for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
1	ARR for FY 2025-26 projected by CSLDC	30.48
2	Add: Gap/(Surplus) with holding cost	(1.04)
3	**Adjusted ARR for FY 2025-26**	29.44
4	System Operation Charges	23.56
5	Intra-State Market Operation Charges	5.89
6	**Total SLDC Charges**	**29.44**

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 2023-24 has approved Surplus of Rs. 0.79 Crore. This Surplus, along with holding cost, amounting to Rs. 0.98 Crore has been adjusted against the ARR approved for FY 2025-26. Considering the adjusted ARR for FY 2024-25 and above Regulations, the Commission has approved the System Operation Charges and Intra-State Market Operation Charges, as shown in the Table below:

Table 12-21: Adjusted ARR and SLDC Charges for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Petition	Approved
1	ARR projected for FY 2025-26	30.48	25.21
2	Add: Gap/(Surplus) with holding cost	(1.04)	(0.98)

Sr. No.	Particulars	Petition	Approved
3	**Adjusted ARR for FY 2025-26**	29.44	24.23
4	System Operation Charges	23.56	19.39
5	Intra-State Market Operation Charges	5.89	4.85
6	**Total SLDC Charges**	**29.44**	**24.23**

Accordingly, the Commission approves System Operation Charges and Intra-State Market Operations Charges as Rs. 19.39 Crore and Rs. 4.85 Crore, respectively.

13 ARR OF CSPDCL FOR FY 2025-26

13.1 Background

The Commission has notified the MYT Regulations 2021 applicable for FY 2022-23 to FY 2024-25 under Section 62 of the Electricity Act, 2003.

The Commission, vide Order dated 24 October 2024, directed the Licensees and Generating Companies to file the Tariff Petition for FY 2025-26 along with the true-up Petition for FY 2023-24 in accordance with the provisions of the Act and broadly following the principles specified in prevailing MYT Regulations, 2021.

Accordingly, CSPDCL submitted the Petition for approval of ARR and Tariff for FY 2025-26 under various heads, viz., Sales, Power Purchase expenses, O&M expenses, depreciation, interest on loans, interest on working capital, etc., in accordance with the MYT Regulations, 2021. The Commission has carried out prudence check for approval of each of the above expenditure heads and ARR of CSPDCL for FY 2025-26 as per the MYT Regulations 2021, in the following sections.

13.2 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 2025-26, it has considered the past growth trends for each consumer category as per the categorisation approved in the latest Tariff Order.

CSDPCL submitted that Compounded Annual Growth Rates (CAGR) of sales have been computed from the past sales for each category, corresponding to different lengths of time in the past five years, i.e., FY 2018-19 to FY 2023-24 for LV and HV category.

Subject to the specific characteristics of each consumer category/subcategories/slabs of any consumer category, five-year CAGR has been chosen as the basis of sales, number of consumers, and connected load projection for that category. If an abnormal growth rate (high or low), relative to the current trend is observed at the beginning of the five-year period considered, then a shorter period of three-year CAGR is considered for the trend analysis and projections. In case where the past data shows a declining trend, Nil growth has been considered or a trend which is not consistent is substituted with assumptions of growth.

Further, the actual sales, connected load and number of consumers have been shown as per categories/sub-categories approved in the previous True-up Orders. The growth rate is applied to the base year, i.e., FY 2023-24 to escalate the actual values for projections of FY 2024-25 and further escalating the revised values of FY 2024-25 to reach FY 2025-26 projections.

CSPDCL submitted that for the sake of accuracy, the escalation is done by keeping in mind that the revised projections are at par with the actual sales data in H1 of FY 2024-25.

CSPDCL has projected the category-wise sales for FY 2025-26, as shown in the Table below:

Table 13-1: Category-Wise Sales Projected by CSPDCL for FY 2025-26 (MU)

Sl. No.	Category Description	Category	CAGR (%)	Remarks	Projected Sales (MU)
A	**LV**				**18,881.70**
1	Domestic Including BPL Consumers	LV 1	1.56%	CAGR of 3 years considering FY 2020-21 to FY 2023-24	**6,821.95**
2	Non-Domestic Normal	LV 2.1	12.84%	CAGR of 3 years considering FY 2020-21 to FY 2023-24	**435.05**
3	Non-Domestic Demand Based	LV 2.2	8.00%	8.00% Growth rate considered due to abnormal CAGR	**1,144.27**
4	Agriculture	LV 3	5.38%	CAGR of 3 years considering FY 2020-21 to FY 2023-24	**6,416.52**
5	Agriculture Allied Activities	LV 4	18.41%	CAGR of 5 years considering FY 2018-19 to FY 2023-24	**53.89**
6	Industry	LV 5	5.00%	5.00% Growth rate considered due to declining trend as per actual H1 of FY 2024-25	**822.69**
7	Public Utilities	LV 6	10.00%	10.00% Growth rate considered due to abnormal CAGR	**1,039.43**
8	IT & Textile Industries	LV 7	25.00%	25.00% Growth rate considered due to abnormal CAGR	**1.25**
9	Temporary	LV 8	10.00%	10.00% Growth rate considered due to abnormal CAGR	**2,146.65**
B	**HV**				**16,845.48**
1	Railway Traction	HV 1	13.32%	CAGR of 3 years considering FY 2020-21	**1,697.61**

Sl. No.	Category Description	Category	CAGR (%)	Remarks	Projected Sales (MU)
				to FY 2023-24	
2	Mines	HV 2	0.54%	CAGR of 5 years considering FY 2018-19 to FY 2023-24	**677.19**
3	Other Industrial & General Purpose Non-Industrial	HV 3	2.96%	CAGR of 3 years considering FY 2020-21 to FY 2023-24	**2,281.57**
4	Steel Industries	HV 4	7.00%	7.00% Growth rate considered due to declining trend as per actual H1 of FY 2024-25	**11,660.61**
6	Irrigation & Agriculture Allied Activities, PWW	HV 5	11.04%	CAGR of 5 years considering FY 2018-19 to FY 2023-24	**282.30**
7	Residential	HV 6	10.00%	10.00% Growth rate considered due to abnormal CAGR	**216.40**
8	Start Up Power	HV 7	10.00%	10.00% Growth rate considered due to abnormal CAGR	**7.75**
9	Industries related to manufacturing of equipment for RE power generation	HV 8	10.00%	10.00% Growth rate considered due to abnormal CAGR	**6.76**
10	IT & Textile Industries	HV 9	16.13%	CAGR of 5 years considering FY 2018-19 to FY 2023-24	**1.24**
11	Temporary	HV 10	0.00%	0.00% Growth rate considered	**14.05**
C	**Total (A+B)**				**35,727.18**

Commission's View

The Commission, in order to ensure more realistic projection of the category-wise sales for FY 2025-26, asked CSPDCL to submit the latest available actual category-wise sales for FY 2024-25. CSPDCL submitted the actual monthly sales till February 2025 for LV and HV categories. Based on the category-wise sales data for 11 months of FY 2024-25 submitted by CSPDCL, the Commission has estimated the sales for FY 2024-25. The Commission has also computed the CAGR for different periods, with different base years, viz., FY 2018-19 to FY 2023-24.

The Commission has considered the estimated sales for FY 2024-25 as the base for projecting the category-wise sales for FY 2025-26.

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. The most appropriate growth rate has been considered for projecting the category-wise sales for FY 2025-26, over the sales estimated for FY 2024-25, 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 2025-26. In cases where there is no clear trend visible, the shorter-term CAGR has been considered for projecting the sales. Also, in case where the past data shows a declining trend, Nil growth has been considered. In cases where abnormal growth trend is observed on account of new category, an adjusted growth rate of 10% has been considered.

For projection of sales for sub-categories/consumption slabs of any consumer category, the average ratio of sales in the sub-category/consumption slab to total sales of the category in FY 2023-24 and FY 2024-25 has been applied to the sales projected for the category for FY 2025-26.

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 13-2: Category-wise CAGR considered for projection of Energy Sales

Sl. No.	Category Description	Category	CAGR (%)	Remarks
A	**LV**			
1	Domestic Including BPL Consumers	LV 1	1.56%	CAGR of 3 years considering FY 2020-21 to FY 2023-24
2	Non-Domestic Normal	LV 2.1	12.84%	CAGR of 3 years considering FY 2020-21 to FY 2023-24
3	Non-Domestic Demand Based	LV 2.2	13.95%	CAGR of 3 years considering FY 2020-21 to FY 2023-24
4	Agriculture	LV 3	5.60%	CAGR of 5 years considering FY 2018-19 to FY 2023-24
5	Agriculture Allied Activities	LV 4	12.56%	CAGR of 3 years considering FY 2020-21 to FY 2023-24
6	Industry	LV 5	6.73%	CAGR of 5 years considering FY 2018-19 to FY 2023-24
7	Public Utilities	LV 6	18.72%	CAGR of 5 years considering FY 2018-19 to FY 2023-24
8	IT & Textile Industries	LV 7	10.00%	10.00% Growth rate considered due to abnormal CAGR
9	Temporary	LV 8	19.34%	CAGR of 4 years considering FY 2019-20 to FY 2023-24
B	**HV**			

Sl. No.	Category Description	Category	CAGR (%)	Remarks
1	Railway Traction	HV 1	7.56%	CAGR of 4 years considering FY 2019-20 to FY 2023-24
2	Mines	HV 2	0.54%	CAGR of 5 years considering FY 2018-19 to FY 2023-24
3	Other Industrial & General Purpose Non-Industrial	HV 3	2.96%	CAGR of 3 years considering FY 2020-21 to FY 2023-24
4	Steel Industries	HV 4	10.06%	CAGR of 5 years considering FY 2018-19 to FY 2023-24
6	Irrigation & Agriculture Allied Activities, PWW	HV 5	11.04%	CAGR of 5 years considering FY 2018-19 to FY 2023-24
7	Residential	HV 6	0.31%	CAGR of 4 years considering FY 2019-20 to FY 2023-24
8	Start Up Power	HV 7	0.00%	0% considered due to declining trend
9	Industries related to manufacturing of equipment for RE power generation	HV 8	10.00%	10.00% adjusted Growth rate considered due to abnormal CAGR
10	IT & Textile Industries	HV 9	4.26%	CAGR of 4 years considering FY 2019-20 to FY 2023-24
11	Temporary	HV 10	0.00%	0.00% adjusted Growth rate considered as no past data available in this category

Table 13-3: Approved Category-Wise Sales for FY 2025-26 (MU)

Sl. No.	Category Description	CSPDCL Petition	Approved
A	**LV**	**18,881.70**	**20,230.06**
1	Domestic Including BPL Consumers	6,821.95	7132.08
2	Non-Domestic Normal	435.05	422.78
3	Non-Domestic Demand Based	1,144.27	1213.71
4	Agriculture	6,416.52	6768.03
5	Agriculture Allied Activities	53.89	50.85
6	Industry	822.69	855.94
7	Public Utilities	1,039.43	1208.46
8	IT & Textile Industries	1.25	0.55
9	Temporary	2,146.65	2577.65
B	**HV**	**16,845.48**	**16,309.76**

Sl. No.	Category Description	CSPDCL Petition	Approved
1	Railway Traction	1,697.61	1495.15
2	Mines	677.19	617.18
3	Other Industrial & General Purpose Non-Industrial	2,281.57	2341.31
4	Steel Industries	11,660.61	11340.95
5	Irrigation & Agriculture Allied Activities, PWW	282.30	283.45
6	Residential	216.40	185.37
7	Start Up Power	7.75	10.85
8	Industries related to manufacturing of equipment for RE power generation	6.76	17.70
9	IT & Textile Industries	1.24	2.32
10	Temporary	14.05	15.48
C	**Total (A+B)**	**35,727.18**	**36,539.82**

It is observed that the total sales approved by the Commission is slightly higher than CSPDCL projections, primarily for LV - Domestic, Agriculture, Public Utilities, and Temporary categories, while the sales projected for other LV and HV categories sales are either similar or slightly lower than the sales projected by CSPDCL for these categories. The variation in projected sales is on account of different growth rates considered as well as consideration of actual estimated sales for FY 2024-25.

The Commission, thus, approves the total sales for FY 2025-26 as 36,539.82 MU.

13.3 Inter-State Transmission Losses

CSPDCL's Submission

CSPDCL has considered weighted average transmission loss of actual 12 months (April 2023 till March 2024) of Western Region as the same practice is very much 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 3.54%.

Commission's View

The inter-State transmission losses have been considered as 3.54%, as proposed by CSPDCL, for the purpose of computing the energy available to CSPDCL from its inter-State generation sources.

13.4 Intra-State Transmission Losses

CSPDCL's Submission

CSPDCL has considered the intra-State Transmission Loss as 3% as determined by the Commission in its latest Tariff Order dated 13.04.2022 to project energy requirement for FY 2025-26.

Commission's View

The intra-State transmission losses have been considered as 3.00% for FY 2025-26, as approved for CSPTCL in this Order, for the purpose of computing the energy requirement for CSPDCL.

13.5 Distribution Losses

CSPDCL's Submission

CSPDCL submitted that Regulation 98 of the 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 for 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 MYT Order. The Commission vide its MYT Order has approved the Distribution Loss as 15.00% for FY 2024-25 and accordingly, CSPDCL has projected the Distribution Losses for FY 2025-26 as 15%.

Commission's View

The Commission approved a Distribution Loss level of 15% for FY 2024-25 in the MYT Order dated 13.04.2022. CSPDCL has considered the same Distribution Loss level of 15% for FY 2025-26, without any further improvement.

The Commission is of the view that considering the capital investments being made regularly by CSPDCL, including the Distribution Improvement and Smart Metering programme under RDSS, CSPDCL should be able to improve technical and commercial losses significantly. Accordingly, the Commission has considered Distribution Loss of 14% for FY 2025-26 as shown in the Table below:

Table 13-4: Approved Distribution Losses for FY 2025-26 (%)

Sl. No.	Particulars	CSPDCL Petition	Approved
A	Distribution Losses	15.00%	14.00%

13.6 Energy Balance

CSPDCL's Submission

CSPDCL submitted the Energy Balance for FY 2025-26 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 13-5: Energy Balance Projected by CSPDCL for FY 2025-26 (MU)

Sl.	Particulars	Legend	FY 2025-26
1	LV Sales	A	18,881.70
2	HV Sales	B	9,812.62
3	Total Below EHV Level	C=A+B	28,694.32
4	**Energy Loss below 33 kV (in %)**	**D**	15.00%
5	Energy Loss below 33 kV (in MU)	E=(C*D)/(1-D)	5,063.70
6	Gross Energy requirement at 33 kV Level	F=C+E	33,758.02
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	33,406.25
9	Sales to EHV consumers	I	7,032.87
10	**Net energy requirement at Distribution periphery**	**J=H+I**	**40,439.12**
11	**Distribution loss including EHV Sales**	**K=E/(F+I)**	**12.41%**
12	Intrastate Transmission Losses (%)	L	3.00%
13	Intrastate Transmission Losses (MU)	M=(J*L)/(1-L)	1,250.69
14	Net energy requirement at Distribution periphery	N=J+M	41,689.81
15	Interstate Transmission losses (%)	O	3.54%
16	Interstate Transmission losses (MU)	P	507.23
17	**Net energy requirement**	**Q=N+P**	**42,197.04**

Commission's View

The Commission has approved the Energy Balance for FY 2025-26 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 13-6: Approved Energy Balance for FY 2025-26

Particulars	Legend	CSPDCL Petition	Approved
LV Sales	A	18,881.70	20,230.06
HV Sales	B	9,812.62	9,607.97

Particulars	Legend	CSPDCL Petition	Approved
Total Below EHV Level	C=A+B	28,694.32	29,838.03
Energy Loss below 33 kV (in %)	**D**	**15.00%**	**14.00%**
Energy Loss below 33 kV (in MU)	E=F-C	5,063.70	4,857.35
Gross Energy requirement at 33 kV level	F=C/(1-D)	33,758.02	34,695.38
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=F-G	33,406.25	34,343.61
EHV Sales	I	7,032.87	6,701.80
Net energy requirement at Distribution periphery	**J=H+I**	**40,439.12**	**41,045.41**
Distribution loss including EHV Sales (in %)	**K=E/(F+I)**	**12.41%**	**11.73%**
Intra-State Transmission loss (in %)	L	3.00%	3.00%
Intra-State Transmission loss (in MU)	M=N-J	1,250.69	1,269.45
Net energy requirement at Transmission periphery	**N=J/(1-L)**	**41,689.81**	**42,314.85**
Inter-State Transmission loss (in %)	O	3.54%	3.54%
Inter-State Transmission loss (in MU)	P	507.23	560.07
Net Power Purchase requirement	**Q = N + P**	**42,197.04**	**42,874.92**

13.7 Power Purchase Quantum and Cost

CSPDCL's Submission

CSPDCL submitted that it had projected power purchase from the following sources of energy, viz., 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 the Control Period 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 & Unit II, etc. to meet its energy requirement.

The power purchase cost mainly comprises fixed charges and energy charges for two-part tariff stations, i.e., NTPC, NPCL and others. CSPDCL has considered the fixed charges for the generating stations whose Tariff Orders are issued by CERC for Annual Fixed Charges (AFC) of Central Generating Stations for the Control Period

(FY 2019-20 to FY 2023-24). The energy charges for the same stations are taken after 2% escalation on the actual per unit energy charges in FY 2023-24. Further, in case of the NPCIL plants and OHPCL plant, CSPDCL has considered the actual scheduled units and total cost as per the actuals of FY 2023-24. Furthermore, five Large Hydro Projects (LHPs) are expected to be commissioned during FY 2025-25. In absence of historical data CSPDCL has adopted the tariff as per respective PPAs , and the prospective energy is based on best possible approximation.

CSPDCL 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 (up to Oct-24) sourced from CEA and same has been considered for FY 2025-26 for calculating the gross energy availability for the State.

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 have been considered on the basis of trued-up values for FY 2023-24.

For estimating the cost of power purchase from CSPGCL, CSPDCL has considered the total cost (including fixed, variable, and other charges) as per the actuals of FY 2023-24.

CSPDCL has not considered any sale of the power of ABVTPS to Telangana at State periphery for FY 2025-26 as no power shall be 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 2024-25. Accordingly, CSPDCL has considered the RPO obligation for FY 2025-26 also, as shown in the Table below:

Table 13-7: RPO Target for FY 2025-26 (%)

Sl. No.	Particulars	FY 2025-26
1	Wind	3.36%
2	HPO	1.48%
3	Others RPO	28.17%

CSPDCL has also considered purchase from new RE plants. CSPDCL has envisaged that additional RE capacity of 1970 MW would be commissioned in FY 2025-26. The details of RE capacity addition is given in the Table below:

Table 13-8: RE Capacity Addition envisaged for FY 2025-26

Sl. No.	Source	Capacity (MW)	Average Cost (Rs. / kWh)
1	SECI - Wind (Tranche-IX)	170	3.07
2	SECI - Wind (Tranche-XI)	300	2.77
3	SECI - Hybrid (Solar + Wind) (Tranche-III)	400	2.48
4	SECI - Hybrid (Solar + Wind) (Tranche-IV)	400	2.42
5	NHPC Solar	400	2.62
6	SECI (Solar linked with Manufacturing)	300	2.61
10	**Total**	**1,970**	**2.58**

CSPDCL submitted the estimation of purchase from renewable energy sources for FY 2025-26 as shown in the Table below:

Table 13-9: Purchase towards RPO in FY 2025-26 as submitted by CSPDCL

Sl. No.	Source	Units Purchased (MU)	Total Cost (Rs crore)	Average Cost (Rs. / kWh)
1	Biomass	992.22	761.83	7.68
2	Solar	2,193.94	877.57	4.00
3	Hydel	474.73	348.68	7.34
4	Other RE (Wind & Hybrid)	2,649.53	683.92	2.58
5	**Total Renewables**	**6,310.41**	**2,672.00**	**4.23**

iv. Concessional Power Purchase

CSPDCL has considered the quantum and rate of concessional power as approved by the Commission in the Order dated 01.06.2024. The projections of power purchase expenses from these sources computed on the basis of weighted average rates is shown in the Table below:

Table 13-10: Concessional Power Purchase for the FY 2025-26 as submitted by CSPDCL

Sl. No.	Source	Units Purchased (MU)	Total Cost (Rs crore)	Average Cost (Rs. / kWh)
1	Concessional Power	2395.56	687.53	2.87

v. Transmission – Inter, Intra and CSLDC Charges

CSPDCL has considered the Inter-State transmission charges at the same levels as per the actuals of FY 2023-24 and Intra-State transmission charges have been considered after escalating it with 5% for FY 2025-26.

CSLDC charges have been considered at same level as per the actuals of FY 2023-24 without any escalation.

vi. Inter-State Sale

CSPDCL submitted that the sale of electricity other than to retail consumers is not within the regulatory purview of the Commission. As electricity cannot be stored, the surplus energy has to be sold as and when available at the market realised rates. The availability of surplus energy is dependent on the consumption of the consumers and not on the Licensee. The sale of surplus energy is always ensured to be sold with the objective of maximising the revenue from such sale and to pass on the accrued benefit to the retail consumers.

Commission's View

CSPDCL's submissions and assumptions have been analysed in detail and additional information was sought from CSPDCL.

In reply to the Commission's queries, CSPDCL submitted the following data/clarifications:

a) The details of actual 11-month source-wise (CGS, CSPGCL, Traders, Concessional Power, etc.) and station-wise Fixed Charges and Variable charges in power purchase expenses for FY 2024-25 (April 2024 to February 2025).

b) Inter-State Transmission Losses considered are the weighted average transmission loss of actual 12 months (April 2023 to March 2024) of the Western Region.

c) Intra-State transmission losses of 3.00% have been considered as per Tariff Order dated 13.04.2022

d) The details of actual source wise inter-State Transmission Charges from April 2024 to February 2025.

e) The actual PLF of ABVTPS from April to November 2024.

f) Details of RE purchase from new plants during FY 2025-26, i.e.,

    - expected COD of each source;
    - expected generation from each new source;
    - details of various PPAs approved by the Commission and tariff approved/adopted by the Commission for each of these sources.

g) Details of new 5 LHPs proposed during FY 2025-26, i.e.,

    - expected COD of each source;
    - expected generation from each new source;

- details of various PPAs approved by the Commission and tariff approved/adopted by the Commission for each of these sources.

h) The average cost of:

- Solapur STPS = Rs. 12.11/kWh
- Gadarwara STPS – Rs. 10.20/kWh
- Khargaon STPS – Rs. 10.88/kWh

i) CSPDCL has considered the quantum and rate of concessional power as approved in the Order dt. 01.06.2024.

j) CSPDCL has considered rate of sale of surplus power as Rs. 4.27/kWh based on actual average sales rate of FY 2023-24. However, actual average rate of surplus power sale from April 2024 to December 2024 is Rs. 3.67/kWh.

The Commission has approved the power purchase expenses based on the power purchase requirement as approved above. CSPDCL's projections of quantum of power available from different sources and the rate of purchase from different sources have been accepted, with the following modifications:

a) The quantum of power purchase from CGS Stations has been considered based on the average PLF over the period from FY 2020–21 to FY 2024–25, and the rate of power-purchase from CGS Stations is based on the actual power purchase cost in the first 11 months of FY 2024–25 (i.e., April 2024 to February 2025).

b) The generation from CSPGCL Stations have been considered based on the normative PLF values and considering the past trend;

c) The PLF of ABVTPS has been considered as 82.42%, as proposed by CSPDCL in its additional submission;

d) The rate of power purchase from different generating stations of CSPGCL has been considered as approved in this Order for FY 2025-26;

e) Purchase from Traders/Power Exchanges and other short-term sources have been considered as Nil for FY 2025-26 in view of the overall surplus power availability;

f) The quantum of concessional power purchase has been considered as projected by CSPDCL; however, the rate for such purchase has been estimated based on the actual rates for the period from April 2024 to February 2025. Further, it is clarified that for the generators whose tariff has been so determined, energy charges for FY 2025-26 shall be billed at the latest tariff determined by the Commission. For others whose tariff is yet to be determined by the Commission, the energy charges shall be billed at the rate of Rs. 1.90/kWh.

g) The Commission has considered the quantum of purchase from Renewable Energy sources as projected by CSPDCL and the rate for such purchase has been considered based on the actual rates from April 2024 to February 2025;

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 Commission has considered source of supply of power from new LHP's (Large Hydro Plants) as proposed by CSPDCL;

j) The inter-State transmission charges payable to PGCIL have been considered based on the actual Charges from April 2024 to February 2025, as submitted by CSPDCL;

k) The intra-State Transmission Charges have been considered based on the Cumulative ARR for CSPTCL approved in this Order for FY 2025-26;

l) The CSLDC charges have been considered based on the Cumulative ARR of CSLDC approved in this Order for FY 2025-26;

m) The revenue from sale of surplus energy has been considered at the rate of Rs. 4.27/kWh based on the actual average rate of sale in FY 2023-24 as submitted by CSPDCL in its Petition, for the balance quantum of energy, and has been considered under Revenue, and has not been shown as a reduction of power purchase costs.

The approved quantum and cost of power purchase from different sources of power for FY 2025-26 are given in the Table below:

Table 13-11: Approved Power Purchase Quantum and Cost for FY 2025-26

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	13517.57	5913.91	4.37	15011.40	5838.02	3.89
2	NTPC - SAIL	283.76	127.42	4.49	283.76	87.18	3.07
3	NPC Limited	505.79	211.39	4.18	505.79	211.39	4.18
4	Hirakund (OHPCL)	16.48	3.62	2.20	16.48	3.62	2.20
5	New LHP's	1784.27	788.78	4.42	1784.27	788.78	4.42
	Sub Total A	**16107.87**	**7045.12**	**4.37**	**17601.70**	**6928.98**	**3.94**
B	**Purchase from Thermal and Hydel State Generating Stations**						
5	CSPGCL – Thermal	19053.70	6874.45	3.61	19052.78	6770.29	3.55
6	CSPDCL - Renewables	372.45	43.74	1.17	356.88	47.23	1.32
	Sub Total B	**19426.15**	**6918.19**	**3.56**	**19438.50**	**6817.52**	**3.51**
C	**Purchase from Traders, IPPs, and others sources**						
7	Short-term Purchase	0.00	0.00	0.00	0.00	0.00	0.00
8	Concessional Power	2395.56	687.53	2.87	2395.56	634.82	2.65
	Sub Total C	**2395.56**	**687.53**	**2.87**	**2395.56**	**634.82**	**2.65**
D	**Purchase from Renewable Sources**						
9	Biomass	992.22	761.83	7.68	992.22	816.17	8.23
10	Solar	2875.71	1056.20	3.67	2875.71	911.03	3.17

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)
11	Hydel/Other RE	474.73	348.68	7.34	474.73	337.65	7.11
12	Other/New RE	1967.75	505.29	2.57	1967.75	503.41	2.56
	Sub Total D	**6310.41**	**2672.00**	**4.23**	**6310.41**	**2568.25**	**4.07**
E	**Transmission & Other Charges**						
13	Inter-State Transmission Charges		1,255.42			695.05	
14	Intra-State Transmission Charges		1,046.66			1318.54	
15	CSLDC Charges		8.99			25.21	
	Sub Total E		**2,311.07**			**2038.80**	
F	**Gross Power Purchase Cost (excl. Transmission Charges)**				**45,186.68**	**16,949.58**	**3.80**
G	**Gross Power Purchase Cost (incl. Transmission Charges)**	**44,239.99**	**19,633.91**	**4.44**	**45,186.68**	**18,988.38**	**4.15**
H	**Adjustments/Revenue from Sale of Surplus Power**						
16	Inter-State Transmission Losses	507.23					
18	Sale of Surplus Power#	2,042.94	872.34	4.27			
	Sub-total G#	**2,550.17**	**872.34**	**4.27**			
H	**Net Power Purchase Cost$**	**41,689.81**	**18,761.58**	**4.45**			

Notes: *# - Approved Revenue from sale of surplus power shown separately under Revenue*

$ - Net Power Purchase Cost not computed under Approved values, as Revenue has been considered

CSPDCL's Additional Submission

CSPDCL has requested the Commission in its additional submission dated 24th April, 2025 to allow power purchase in case of contingency through Term Ahead Market (TAM) at a premium of Rs. 0.10/kWh above the Exchange rate of Day Ahead Market (DAM) and allow this expense as a pass through in the true up.

Commission's View

The Commission notes the submission of CSPDCL and permits the Petitioner to procure short-term power from the power exchange and/or other portals through competitive bidding in the event of contingencies up to maximum 1% of the total power purchase portfolio estimated for FY 2025-26 and at the yearly weighted average ceiling price of Rs. 7.00/ kWh. Further, if the Petitioner procures power at a rate exceeding this ceiling price, CSPDCL must obtain prior approval from the Commission.

13.8 Operation & Maintenance Expenses

CSPDCL's Submission

CSPDCL submitted that it has computed the Operation and Maintenance (O&M) expenses, comprising employee expenses, A&G expenses, and Repair & Maintenance (R&M) expenses for FY 2025-26, in accordance with Regulation 83.4 of the MYT Regulations, 2021. However, the years considered for calculation for average WPI and CPI escalations are FY 2019-20 to FY 2023-24. CSPDCL submitted the average growth of WPI and CPI for these years. Further, the normative O&M expenses have been calculated by escalating the actual expenses for FY 2023-24 to project the revised expenses for FY 2024-25 and further escalating the same using the rates calculated.

The normative O&M expenses projected by CSPDCL for FY 2025-26 are shown in the Table below:

Table 13-12: O&M Expenses for the FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2025-26
Employee Expenses	1,307.57
A&G Expenses	88.05
R&M Expenses	489.48
Total O&M Expenses	**1,885.10**

Commission's View

Regulation 83.4 of the MYT Regulations, 2021 specifies as under as regards the O&M Expenses:

*"**83.4. Operation And Maintenance (O&M) Expenses***

83.4.1. Human Resource (HR) Expenses

(a) HR expenses shall include:

(i) employees costs;

(ii) impact of Pay revision;

(iii) manpower deployed on outsourcing basis;

(b) The Commission shall stipulate a separate trajectory for each of the components of HR expenses for the Control Period.

(c) The HR expenses includes employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing

basis, pension fund contribution, and any other expense of non-recurring nature related to HR. The base year i.e. FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of pay revision arrears and any other expense of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.

(d) The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI (IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expenses (excluding impact of pension fund contribution and pay revision and any other expense of non-recurring nature, if any) for each year of the control period.

(e) At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism.

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

(f) CPI (IW) (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001:100}.

83.4.2. Maintenance and General (M&G) Expenses

(a) Maintenance and General (M&G) expenses shall include:

(i) Administrative and General (A&G) expenses;

(ii) Repair and Maintenance (R&M) expenses

(b) The Commission shall stipulate a separate trajectory for each of the components of M&G expenses viz., R&M and A&G expenses for the Control Period.

(c) The A&G expenses (excluding expenses towards outsourcing manpower) (A&G) and R&M expenses (excluding expenses towards outsourcing manpower) (R&M) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower) and R&M expenses (excluding expenses towards outsourcing manpower), respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non- recurring nature shall be excluded while determining normalized average for the previous five (5) years.

(d) The normalization of R&M expenses shall be done by applying last five year average increase/decrease in Wholesale Price Index (WPI) of all commodities on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22.

(e) For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in Inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2020-21.

(f) The projected base year value shall be escalated by the above inflation rate to estimate the A&G and R&M expenses for each year of the control period.

(g) Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry gf Commerce & Industry, Government of India {Base Year: 2011-12 Series};

(h) Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of lndia {Base Year: 2001:100}.

(i) At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period."

The Commission has considered an escalation factor of 5.78% (5-year average inflation rate, 100% CPI weightage) to calculate HR Expenses, 5.44% (5-year average inflation rate @ 40% WPI and 60% CPI weightage) to calculate A&G expenses, and 4.93% (5-year average inflation rate, 100% WPI weightage) to calculate R&M expenses for FY 2025-26. These escalation rates have been applied twice on the net actual HR Expenses for FY 2023-24 and the revised normative M&G Expenses for FY 2023-24, as approved in this Order to arrive at the normative O&M Expenses for FY 2025-26.

The summary of yearly inflation and the average inflation considered for projecting the HR expenses, A&G expenses and R&M expenses is shown in the Table below:

Table 13-13: Computation of Inflation Rate for projections (%)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Average of 5 years increase
CPI – Industrial Workers (%)	7.53%	5.02%	5.13%	6.05%	5.19%	**5.78%**
WPI – All Commodities (%)	1.68%	1.27%	13.02%	9.40%	-0.74%	**4.93%**
WPI @ 40% & CPI @ 60%						**5.44%**

Accordingly, the Commission has approved the normative O&M expenses for FY 2025-26 as shown in the Table below:

Table 13-14: Approved O&M expenses for FY 2025-26 (Rs. Crore)

Particulars	CSPDCL Original Petition	Approved
Employee Expenses	1,307.57	1,383.30
A&G Expenses	88.05	104.94
R&M Expenses	489.48	298.80
Total O&M Expenses	**1,885.10**	**1,787.04**

Smart Meter Scheme

The Commission has observed that CSPDCL has already initiated installation of Smart Meters in the State of Chhattisgarh, and sought clarifications from CSPDCL regarding the payments to be made towards Smart Meters for FY 2025-26, as CSPDCL has opted for TOTEX Model with payment for meter cost and meter reading and maintenance payable to the AMISP in 120 equal monthly instalments for 10 years.

CSPDCL vide its reply dated 21st March, 2025, submitted the necessary details regarding Smart Meter expenses for FY 2025-26, to be considered as an additional O&M expense over and above normative O&M expenses, beyond the purview of the sharing of gain/loss mechanism.

CSPDCL submitted that the Smart Meter project is being implemented as mandated under the CEA (Installation and operation of meters) (Amendment) Regulations, 2019 framed under sub-section (1) of Section 55 read with clause (c) of sub section (2) of Section 177 of the Electricity Act 2003, and its subsequent amendment. There are monthly recurring AMISP service charges payable on per meter per month basis. CSPDCL estimated the total amount payable under this head as Rs. 367.97 Crore for FY 2025-26. The smart meter expenses projected by CSPDCL for FY 2025-26 are shown in the Table below:

Table 13-15: Smart Meters details for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Smart Meter Qty.						Estimated Invoice amount (Rs. Crore) (including GST)		
1ph	**3ph**	**LT CT Consumer**	**DT Meter**	**Feeder Modem**	**Total**	**Lumpsum payment**	**AMISP Service charges**	**Total**
50,09,191	3,73,507	10,951	2,06,698	4,744	56,05,092	552.95	367.97	920.92

CSPDCL requested the Commission to include the amount of Rs. 367.97 Crore under the head of O&M expenses for FY 2025-26, and requested that the additional O&M expenses for Smart Meters should not be considered for sharing of gain and loss mechanism as per the MYT Regulations, 2021.

Accordingly, CSPDCL submitted the revised O&M expenses for FY 2025-26 including AMISP charges, as shown in the Table below:

Table 13-16: Revised O&M Expenses for the FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2025-26
Employee Expenses	1,307.57
A&G Expenses	88.05
R&M Expenses	489.48
AMISP expenses	367.97
Total O&M Expenses	**2,253.07**

Commission's View

The Commission has analysed CSPDCL's submissions as regards the expenses estimated to be incurred towards payment to AMISP as service charge for FY 2025-26.

Regulation 83.4.3 of the MYT Regulations, 2021 permits a Distribution Licensee to implement operational expenditure (Opex) schemes beyond the normative O&M expenses. However, such additional expenditure is subject to a prudence check by the Commission. The relevant extract from the Regulations is as follows:

"83.4.3 In cases the additional O&M expenses incurred due to additional capital investment or any change in law or any direction by any statutory authority shall be pass through over and above the O&M charges allowed in the Tariff order after prudence check by the Commission"

At this juncture, the Smart Meter installation is still in progress, and the exact expenditure will depend on the actual progress of installation of Smart Meters and the actual payments to be made to the AMISP in accordance with the Agreement entered into between CSPDCL and the AMISP. Therefore, the Commission has not considered the Smart Meter expenses in the ARR for FY 2025–26 at this point in time. CSPDCL is at liberty to claim the actual expenses incurred in this regard at the time of true-up for FY 2025-26, subject to prudence check.

Table 13-17: Approved Smart Meter expense for FY 2025-26 (Rs. Crore)

Particulars	CSPDCL Original Petition	CSPDCL Revised Submission	Approved
AMISP Charges for Smart Metering	0.00	367.97	0.00

13.9 Contribution to Pension & Gratuity (P&G)

CSPDCL's submission

CSPDCL submitted that as per the Pension Trust Letter No. 227 dated 14th November, 2024, the estimated expenditure of FY 2025-26 is Rs.1476.22 Crore. In the MYT Order, the Commission has allowed the contribution as per the funding requirement of the Trust. However, during FY 2023-24, the net (un-funded) liability of the Trust has increased substantially by Rs. 926.88 Crore. Provisioning of this amount in a single year will over burden the ARR. Hence, a nominal amount of Rs. 50 Crore has been added making total contribution of Rs. 1526.54 Crore (for the whole Trust) out of which CSPDCL's share works out to Rs. 950.27 Crore. CSPDCL requested the Commission to allow this amount in the ARR for FY 2025-26.

The P&G Contribution projected by CSPDCL for FY 2025-26 is shown in the Table below:

Table 13-18: P&G Contribution as submitted by CSPDCL (in Rs. Crore)

Particulars	FY 2025-26
Contribution to P&G	950.27

Commission's View

In its replies to queries dated 22nd January 2025, CSPDCL submitted the letter from the Pension Trust, based on the actuarial valuation for FY 2025-26.

Regulation 34 of the MYT Regulations, 2021 specifies as under:

"34. PENSION FUND

34.1. For meeting up the past unfunded liabilities of employees appointed before 01.01.2004 erstwhile CSEB State Power Companies, a pension and gratuity trust has been constituted and funding to the same has been allowed in the past by the Commission. The contribution to this fund shall be specified by the Commission on the basis of actuarial analysis, expected pension outflow for the State Power Companies and availability of fund with the Pension trust at the time of determination of MYT / ARR for each year of the control period. The pension outflow shall be met from the Pension and Gratuity Fund. Contribution to the pension fund as approved by the Commission shall be recoverable as specified in this regulations."

The Commission is of the view that the overall contribution to the P&G Fund as claimed by the P&G Trust is based on actuarial analysis, anticipated outflows for the State Power Companies, and availability of funds with the Pension Trust, which is in accordance with the MYT Regulations, 2021. The Commission has hence, been allowing the overall contribution to the Pension Trust in the Tariff Orders, based on the claim made by the Pension Trust. Accordingly, the Commission has approved the contribution towards Pension and Gratuity Fund for FY 2025-26 based on the Chhattisgarh Gratuity and Pension Trust Letter No. P&G Trust/227 dated 14 November 2024 amounting to a total of Rs. 1476.22 Crore for FY 2025-26.

Further, in the MYT Order dated 13th April 2022, the Commission has stated as under:

"It is further clarified that if the actual expenses on payment of Gratuity and Pension during the respective year significantly overshoots the estimation, then at the end of the respective year, the Companies may make additional contribution in accordance with their share to meet such additional expense. Subject to prudence check, the same shall be considered at the time of true up."

Hence, in such a situation, the Companies may approach the Commission for necessary relief at the time of true-up for the respective year.

Further, to avoid any confusion and mismatch in the amounts allowed to each Company, the Commission has considered the allocation of each entity in the same ratio as approved in the MYT Order dated 13 April 2022.

The contribution to the P&G Trust as approved for CSPGCL, CSPTCL, CSLDC and CSPDCL is shown in the Table below:

Table 13-19: Approved Contribution to P&G Fund for FY 2025-26 (Rs. Crore)

Entity	% Allocation	FY 2025-26
CSPGCL	27.258%	402.39
CSPTCL	10.240%	151.16
CSLDC	0.252%	3.72
CSPDCL	**62.250%**	**918.95**
Total	**100.00%**	**1476.22**

It is further clarified that if the actual expenses on payment of Gratuity and Pension during FY 2025-26 significantly overshoots the estimation, then at the end of the year, the Companies may make additional contribution in accordance with their share to meet such additional expense. Subject to prudence check, the same shall be considered at the time of true up.

13.10 Gross Fixed Assets

CSPDCL's Submission

CSPDCL submitted that the capital structure for FY 2025-26 has been determined based on the following methodology:

a) The actual loan addition for FY 2025-26 has been considered as Rs 1753.37 Crore;
b) Addition in consumer contribution/grants has been considered Rs 1782.80 Crore;
c) Normative equity addition has been considered based on capital restructuring methodology as approved by the Commission in the Tariff Order dated 12th July 2013;

d) GFA addition of Rs 3977.95 Crore has been projected based on the Capital Investment Plan for FY 2025-26;

e) Capital expenditure from Revamped Distribution Sector Scheme (RDSS) is considered as per the Approved DPR from the state Government.

The Capital Structure submitted by CSPDCL for FY 2025-26 is shown in the Table below:

Table 13-20: Capital Structure for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	Legend	FY 2025-26
Gross Fixed Assets (GFA)		
Opening GFA	A	14,650.05
Opening CWIP	B	2416.06
Opening CAPEX	C=A+B	17,066.10
Capitalization during the year	D	*3,977.95
Closing GFA	E=D+A	18,628.00
Closing CWIP	F	2416.06
Closing CAPEX	G=F+E	21,044.05
Grants and Consumer Contribution		
Opening Grant and Contribution	H	7,750.18
Consumer contribution/grants during the year	I	1,782.80
Closing Consumer Contribution	J=H+I	9,532.98
Consumer Contribution in Opening GFA	K=H*A/C	6,652.98
Consumer Contribution in Closing GFA	L=J*E/G	8,438.50
Loan		
Opening Loan	M	3,712.11
Loan Addition	N	1,753.37
Closing Loan	O=M+N	3,712.11
Loan in Opening GFA	P=M*A/C	3,186.59
Loan in Closing GFA	Q=MAX (O*E/G, P)	3,285.93
Equity		
Opening Gross Equity	R=C-H-M	5,603.81
Equity Addition	T=S-R	2,195.15
Closing Gross Equity	S=G-J-O	7,798.96
Gross Equity in Opening GFA	U=A-K-P	4,810.48
Gross Equity in Closing GFA	V=C-L-Q	6,903.57
Average Gross Equity	W=Avg. (U, V)	5,857.02
Funding of Capitalized Assets		
Total Capitalization	X	2,195.15

Particulars	Legend	FY 2025-26
Grant Contribution	L-K	1,684.22
Loan Contribution	Q-P	59.89
Equity Contribution	V-U	451.04

Note: **In the Petition, CPSDCL has mentioned incorrect Capitalization, and the correct Capitalisation is Rs. 2195.15 Crore*

Table 13-21: Funding pattern of Capitalisation for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Sr. No.	Particulars	Projections for FY 2025-26
A	**Gross Fixed Assets (GFA)**	
1	Opening GFA	14,650.05
2	Capitalization during the year	*3,977.95
3	Closing GFA	18,628.00
B	**Funding of Capitalized Assets**	
1	Grant	1,785.52
2	Equity	657.73
3	Debt	1,534.70
C	**Total Capitalization**	**3,977.95**

Note: **CPSDCL has revised the Capitalisation to Rs. 2195.15 Crore in its additional submission*

Commission's View

The closing GFA for CSPDCL, as approved in the true-up for FY 2023-24 in this Order, has been considered as the opening GFA for FY 2024-25. Capitalisation for FY 2024-25 as approved in the Tariff Order for FY 2024-25 has been added to arrive at the closing GFA for FY 2024-25. The closing GFA of FY 2024-25 has been considered as the opening GFA for FY 2025-26.

The Commission has observed that there was discrepancy between the projected addition to GFA, which has been considered as Rs. 3977.95 Crore in Table 43 of the Petition, and as Rs. 2195.15 Crore in Table 44. In its reply, CSPDCL has clarified that the correct amount of capitalisation is Rs. 2195.15 Crore only.

The Commission observes that CSPDCL has projected capitalisation of Rs. 2195.15 Crore for FY 2025-26, which is much higher than the capitalisation typically achieved in the past years. CSPDCL has achieved actual average capitalisation of Rs. 1186.79 Crore during the last six financial years, as against the projected capitalisation of Rs. 2195.15 Crore.

The Commission is of the view that it may not be appropriate to consider the high level of capitalisation as projected by CSPDCL, as it will result in increase in ARR, and hence, tariff approved for FY 2025-26. Hence, the Commission has considered the capitalisation as Rs. 1186.79 Crore for ARR and Tariff purposes, which is equal to the average capitalisation achieved over last six financial years.

However, it is clarified that CSPDCL is not restricted to the capitalisation considered by the Commission for ARR and Tariff purposes and should take up and complete all the Schemes as per the CIP Petition filed by CSPDCL in Case No. 102 of 2024. Further, the actual capitalisation achieved by CSPDCL shall be considered at the time of true-up for FY 2025-26.

The funding of the capitalisation has been considered in the normative Debt: Equity ratio of 70:30, net of Grants considered as Rs. 910.56 Crore in the same proportion as submitted by CSPDCL in the Petition and the reply to the query raised by the Commission. The actual Grant/Consumer Contribution utilised for capitalisation shall be considered at the time of true-up for FY 2025-26.

Accordingly, the Commission has approved the opening GFA, capitalisation, closing GFA, and funding of capitalisation for FY 2025-26 as shown in the Table below:

Table 13-22: Funding of GFA Addition approved by the Commission for the FY 2025-26 (Rs. Crore)

Particulars	CSPDCL Original Petition	CSPDCL Revised Submission	Approved
Gross Fixed Assets (GFA)			
Opening GFA	14,650.05	14,650.05	14,559.23
Capitalization during the year	3,977.95	2195.15	1186.79
Closing GFA	18,628.00	16,845.20	15,746.03
Funding of Capitalized Assets			
Grant Contribution	1,785.52	1684.22	910.56
Equity Contribution	657.73	451.04	82.87
Loan Contribution	1,534.70	59.89	193.36

13.11 Depreciation

CSPDCL's submission

CSPDCL submitted that depreciation for FY 2025-26 has been calculated in accordance with Regulation 25 of the MYT Regulations, 2021, as shown in the Table below:

Table 13-23: Depreciation for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2025-26
Opening GFA	14,650.05
Capitalization during the year	2195.15
Closing GFA	16,845.20
Average GFA for the year	15,747.62
Depreciation Rate (%)	5.65%
Gross Depreciation	888.33

Particulars	FY 2025-26
Less: Depreciation on consumer contribution on live assets	275.23
Less: Depreciation on fully depreciated Assets	23.01
Less: Depreciation on assets converted from loan to grant under UDAY	46.20
Net Depreciation	**543.89**

Commission's View

Regulation 25 of the MYT Regulations, 2021 specifies as under:

*"**25. DEPRECIATION***

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

25.2. Provided that the capital cost shall not include funds from grant or consumer contribution or deposit works received for funding of fixed asset as specified in Regulation 22.

25.3. The salvage value of the asset except for IT equipments and software used for SLDC business shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

25.4. Provided that, the salvage value for IT equipments and Software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

25.5. Land other than the land held under lease and the land for reservoir in case of hydro generating station and the land for ash-bund for thermal power stations shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. Subject to specific provisions, Land for integrated mine shall also be considered for depreciation.

25.6. Depreciation shall be calculated annually based on Straight Line Method and at rates as specified in Appendix-I to this regulation for the assets of the generating station, transmission system, distribution system and SLDC and Appendix –I (A) for integrated coal mine:

Provided that, in case of the existing projects, the balance depreciable value as on 01.04.2022 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2022 from the gross depreciable value of the assets.

Provided that in those cases where the capital investment plan has been approved by the Commission and the depreciation rates as provided in this Regulation are insufficient for the repayment of loan, the rate of depreciation shall be decided by the Commission at the time of issuance of tariff order, subject to prudence check.

Provided that in the case where additional capital investment is approved by the commission for a plant at the end of its useful life or after its useful life is *already over, the recoverable depreciation in respect of additional capital investment, shall be spread over the balance projected physical life as submitted by the generation company or the licensee in the capital investment plan after prudence check by the Commission.*

Provided that until a Government company or any authority or corporation is notified for operating the SLDC, the depreciation shall be calculated as applicable for the STU under these Regulations.

Provided further the balance depreciable value as on the date of transfer shall be worked out by deducting the cumulative depreciation from the gross depreciable value of the assets appearing in the books of accounts of the SLDC for the SLDC as on the date of transfer."

Depreciation for FY 2025-26 has been calculated in accordance with the above mentioned Regulations, on the average GFA during the year. The Regulation provides for separate depreciation rates for each asset group. Accordingly, the weighted average depreciation rates has been computed as 5.66% for FY 2025-26.

The depreciation related to consumer contribution on live assets has been deducted as submitted by CSPDCL. Further, the depreciation on fully depreciated assets has been considered equal to the depreciation approved in the true-up for FY 2023-24. However, this value will increase as more and more assets get fully depreciated. CSPDCL should submit the details of fully depreciated assets for FY 2025-26 at the time of true-up for FY 2025-26. The depreciation on assets converted from loan to grant under UDAY has also been deducted.

The depreciation approved for FY 2025-26 is shown in the Table below:

Table 13-24: Depreciation Approved for FY 2025-26 (Rs. Crore)

Particulars	CSPDCL Petition	Approved
Opening GFA	14,650.05	14,559.23
Capitalization during the year	2195.15	1186.79
Closing GFA	16,845.20	15,746.03
Average GFA	15,747.62	15,152.63
Depreciation Rate (%)	5.65%	5.66%
Gross Depreciation	**888.33**	**856.98**
Less: Depreciation on consumer contribution on live assets	275.23	275.23
Less: Depreciation on fully depreciated Assets	23.01	23.01
Less: Depreciation on assets converted to grant under UDAY	46.20	46.20
Net Depreciation	**543.89**	**512.55**

13.12 Interest on Loan

CSPDCL's submission

CSPDCL submitted that it has computed Interest on Loan as per Regulation 24 of the MYT Regulations, 2021. CSPDCL has considered the loan addition for FY 2025-26 as Rs. 99.34 Crore. The interest rate considered in True up of FY 2023-24 has been considered for calculation of the interest expenses for FY 2025-26.

The Interest on Loan as submitted by CSPDCL for FY 2025-26 is shown in the Table below:

Table 13-25: Interest on Loan for the FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2025-26
Opening Net Normative Loan	2,511.91
Repayment during the year	543.89
Additional Capitalization of Borrowed Loan during the year	59.89
Addition/(Reduction) in Normative loan during the year	2,135.26
Closing Net Normative Loan	4,163.17
Average Normative loan during the year	3,337.54
Weighted Average Rate of Interest	10.80%
Interest Expense	**360.46**
Add: Other Finance Charges	-
Total Interest Expenses	**360.46**

Commission's View

Regulation 24 of the MYT Regulations, 2021 specifies as under:

"24. INTEREST AND FINANCE CHARGES ON LOAN CAPITAL

24.1 The debt arrived at in the manner indicated in Regulation 17 shall be considered as gross normative loan for calculation of interest on loan.

24.2. The normative loan outstanding as on 01.04.2022 shall be worked out by deducting, the cumulative repayment as admitted by the Commission up to 31.03.2022, from the gross normative loan.

24.3. The repayment of loan for the year of the tariff period shall be deemed to be equal to the depreciation allowed for that year.

24.4. Notwithstanding any moratorium period availed by the generating company or the licensee, as the case may be the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

24.5. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station or the licensee, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the licensee as a whole shall be considered:

Provided further, in case of new generating station or the licensee commencing its operation after the date of effectiveness of this Regulation, and which don't have actual loan portfolio, the rate of interest shall be considered on normative basis and shall be equal to the Marginal Cost of Fund based Lending Rate (MCLR - one year tenor) of State Bank of India plus 150 basis points as applicable on the date of COD.

24.6. The interest on loan shall be calculated on the average of opening and closing loan of the year. For the computation of interest amount, the interest rate shall be the weighted average rate of interest for the same year.

24.7. The interest amount as per regulation 24.6 shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, grants or deposit works carried out by generating company, transmission licensee, SLDC or distribution licensee, as the case may be".

The Commission has considered the closing balance of loan capital as approved in the truing up for FY 2023-24, as the opening balance of loan for FY 2024-25. The addition of normative loan for FY 2024-25 has been considered equal to the loan addition approved for FY 2024-25 in the Tariff Order dated 13 April 2022. The closing balance of loan for FY 2024-25 has been considered as the opening loan balance for FY 2025-26. The addition of normative loan for FY 2025-26 has been considered based on debt component towards the approved funding of capitalisation for FY 2025-26, as discussed in the earlier Section of this Order. The normative loan repayment has been considered equal to net depreciation approved for FY 2025-26 in this Order.

The rate of interest has been considered at the same rate as the actual weighted average rate of interest as approved in the true-up for FY 2023-24 in this Order. The interest on loan approved for the FY 2025-26 is shown in the Table below:

Table 13-26: Approved Interest on Loan for the FY 2025-26 (Rs. Crore)

Particulars	CSPDCL Petition	Approved
Opening Net Normative Loan	2,511.91	1,986.00
Repayment	543.89	512.55
Additional Loan	59.89	

Particulars	CSPDCL Petition	Approved
Addition/(Reduction) in Normative loan	2,135.26	193.36
Closing Net Normative Loan	4,163.17	1666.81
Average Normative loan	3,337.54	1826.41
Weighted Average Rate of Interest	10.80%	10.80%
Interest Expense	360.46	197.25
Add: Other Finance Charges	-	-
Total Interest on Loan	**360.46**	**197.25**

13.13 Interest on Consumer Security Deposit

CSPDCL's Submission

CSPDCL submitted that as per the provisions of Regulation 6.13 of the Chhattisgarh Supply Code, 2011, interest on security deposits is payable by CSPDCL to consumers. The relevant clause is reproduced below:

> *"The licensee shall pay interest as per directive / guidelines of Reserve Bank of India (RBI) on the security deposits. It shall be the responsibility of the licensee to ascertain the such rate from RBI and to inform the consumers through the billing mechanism."*

Further, Regulation 24.10 of the MYT Regulations, 2021 specifies as under:

> *"24.10. In case of licensee, the interest paid on security deposit to the consumers shall not be allowed as a part of Annual Revenue Requirement. The licensee shall bear the interest liability on security deposit."*

CSPDCL submitted that in accordance with the aforesaid provisions, it is not claiming the Interest on Security Deposit in the ARR for FY 2025-26.

Commission's View

In accordance with Regulation 24.10 of the MYT Regulations, 2021, the Commission has not allowed the Interest on Security Deposit as part of the ARR for FY 2025-26. However, CSPDCL shall pay interest on the Consumers' Security Deposit in accordance with Regulation 6.13 of the Chhattisgarh Supply Code, 2011.

13.14 Interest on Working Capital

CSPDCL's Submission

CSPDCL submitted that it has calculated Interest on Working Capital (IoWC) in accordance with the MYT Regulations, 2021.

CSPDCL submitted that it has estimated the working capital requirement by considering O&M Expenses for 15 days, Maintenance spares @ 20% of projected M&G expenses and receivables equivalent to one month of the revenue from sale of power at prevailing tariff within the State. CSPDCL has considered the interest rate of 10.95% (SBI MCLR of 8.95% on 15th October 2024 plus 200 basis points) for computing the Interest on Working Capital.

The Interest on Working Capital as submitted by CSPDCL for FY 2025-26 is shown in the Table below:

Table 13-27: Interest on Working Capital for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2025-26
Operation and Maintenance Expenses for 15 days	116.52
Maintenance spares @ 20% of M&G Expenses	115.51
Receivables	2,054.48
Total Working Capital	2,286.51
Rate of Interest (%)	10.95%
Interest on Working Capital	**250.37**

Commission's View

Regulation 26.1 (e) of the CSERC MYT Regulations (First Amendment), 2023 specifies as under:

"26.1. The working capital shall include:

...

(e) For Retail Supply of Electricity:

i. O&M expenses for 15 days; plus

ii. Maintenance spares @ 20% of maintenance and general expenses specified in Regulation 92.6.2; plus

iii. Receivables equivalent to 15 days of the revenue from sale of electricity at the prevailing tariffs within state;

...

26.4. "Interest on working capital shall be allowed at a rate equal to the Marginal Cost of Fund based Lending Rate (MCLR – one year tenor) of State Bank of India plus 200 basis point prevailing on 30th September of current financial year. During true up, the interest on working capital shall be computed at an average actual sanctioned rate of interest during the year."

The Interest on Working Capital has been calculated in accordance with the above-said Regulations. The working capital requirement has been computed by considering O&M Expenses for 15 days, Maintenance spares @ 20% of approved Maintenance and General expenses and receivables equivalent to 15 days of the revenue equivalent of the net ARR recovery approved for FY 2025-26.

The interest rate for FY 2025–26 has been considered as be 8.64%, based on the average rate of interest on working capital approved for FY 2023–24 in this Order for CSPGCL, CSPTCL and CSPDCL, i.e., 8.22%, 8.53%, and 9.16%, respectively. However, the actual sanctioned rate of Interest on Working Capital incurred by CSPDCL shall be considered at the time of truing up for FY 2025-26 subject to prudence check. The Interest on Working Capital approved for FY 2025-26 is shown in the Table below:

Table 13-28: Approved Interest on Working Capital (Rs. Crore)

Particulars	CSPDCL Petition	Approved
Operation and Maintenance Expenses for 15 days	116.52	73.44
Maintenance spares @ 20% of M&G Expenses	115.51	80.75
Receivables equal to 15 days of expected revenue from charges	2,054.48	924.44
Total Working Capital	2,286.51	**1,078.63**
Rate of Interest (%)	10.95%	8.64%
Interest on Working Capital	**250.37**	**93.16**

13.15 Return on Equity

CSPDCL's submission

CSPDCL submitted that it has calculated Return on Equity (RoE) in accordance with Regulation 23 of the MYT Regulations, 2021. The RoE projected by CSPDCL for FY 2025-26 has been shown in the Table below:

Table 13-29: RoE for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2025-26
Permissible Equity in Opening GFA	2,822.37
Permissible Equity in Closing GFA	2,975.65
Average Gross Permissible Equity	2,899.01
Rate of Return (%)	16%
Return on Equity	**463.84**

Commission's View

Regulation 23 of the MYT Regulations, 2021 specifies as under:

*"**23 RETURN ON EQUITY***

23.1. Base rate for Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 14.0% for Generation and Transmission and SLDC.

23.2. Distribution: Base rate for Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 16.0%.

23.3. The ROE shall be grossed up at the time of tariff by MAT rate for the year in which tariff is being determined, subject to the condition that MAT / Corporate tax has been paid for last three consecutive years for regulated business filed petition under these Regulations. In such case, Rate of return on *equity shall be rounded off to three decimal places and shall be computed as per the formula given below:*

Rate of return on equity = Base rate / (1-MAT Rate)

At the time of True up, the income tax shall be pass through on actual basis, subject to ceiling as following:

= Average Permissible Equity X Base Rate of Return X ((t/ (1-t))

Where "t" is the actual tax rate for the year. The tax rate shall be calculated without considering the delay payment surcharge received or receivable during the said financial year by generating company or licensee as the case may be."

The Return on Equity for FY 2025-26 has been computed in accordance with the above Regulations. The closing equity as approved after True-up for FY 2023-24 has been considered as opening equity for FY 2024-25. The equity addition for FY 2024-25 has been considered as approved for FY 2024-25 in the MYT Order dated 13 April 2022. The closing equity for FY 2024-25 has been considered as the opening equity for FY 2025-26. The equity addition in FY 2025-26 has been considered based on equity component towards the approved capitalisation for FY 2025-26, as discussed in the earlier Section of this Order.

The rate of RoE has not been grossed up with the MAT rate as CSPDCL has not paid any Income Tax, and the RoE rate of 16% has been considered for the purpose of approving RoE for FY 2025-26. In case, CSPDCL actually pays Income Tax for FY 2025-26, then reimbursement of the actual Income Tax subject to prudence check shall be allowed at the time of truing up.

The Return on Equity approved for the FY 2025-26 is shown in the Table below:

Table 13-30: Approved RoE for the Control Period (Rs. Crore)

Particulars	CSPDCL Petition	Approved
Permissible Equity in Opening GFA	2,822.37	2,827.48
Permissible Equity in Closing GFA	2,975.65	2,910.35
Average Gross Permissible Equity	2,899.01	2,868.92
Rate of Return (%)	16%	16.00%
Return on Equity	**463.84**	**459.03**

13.16 Non-Tariff Income

CSPDCL's Submission

CSPDCL submitted that it has claimed Non-Tariff Income for FY 2025-26 by escalating the actual Non-tariff income for FY 2023-24 by 10% to reach at the revised values for FY 2024-25 and further escalating it with the same rate for FY 2025-26 figures, as shown in the Table below:

Table 13-31: Non-Tariff Income for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Particulars	FY 2025-26
Non-Tariff Income	133.26

Commission's View

The actual Non-Tariff Income in FY 2023-24 is Rs. 110.13 Crore. The Commission has escalated the approved Non-Tariff Income in FY 2023-24 in this Order by the growth rate of 10% as projected by CSPDCL to arrive the values for FY 2025-26.

The Commission has also considered revenue from Wheeling Charges, Open Access, Reactive charges and Cross Subsidy Charges at the same level as in FY 2032-24, as part of Non-Tariff Income for FY 2025-26.

The total Non-Tariff Income approved for FY 2025-26 is as shown in the Table below:

Table 13-32: Approved Non-Tariff Income for FY 2025-26 (Rs. Crore)

Particulars	CSPDCL Petition	Approved
Non-Tariff Income	133.26	133.26
Wheeling Charges Open Access, Reactive charges & Cross Subsidy Charges	-	328.33
Total Non-Tariff Income	**133.26**	**461.59**

13.17 Inter-State Sale of Surplus Power

CSPDCL Submission

CSPDCL submitted that the sale of electricity other than to retail consumers is not within the regulatory purview of the Commission. As electricity cannot be stored, the surplus energy has to be sold as and when available at the market realised rates. The availability of surplus energy is dependent on the consumption of the consumers and not on the licensee. CSPDCL submitted that the surplus energy is always 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

The balance quantum of power surplus after meeting the State's requirement is considered as being sold in the Power Exchanges at the average rate of Rs. 4.27/kWh, based on the actual average rate of sale in FY 2023-24 as submitted by CSPDCL in its Petition. However, revenue from sale of surplus power has been considered in the subsequent 'revenue' section by the Commission rather than reducing the same as done by CSPDCL.

13.18 Aggregate Revenue Requirement for the FY 2025-26

The summary of the ARR claimed by CSPDCL and the ARR approved by the Commission for CSPDCL for FY 2025-26 is shown in the Table below:

Table 13-33: Approved ARR for CSPDCL for the FY 2025-26 (Rs. Crore)

Sl.	Particulars	CSPDCL Original Petition	CSPDCL Revised Submission	Approved
A	**Power Purchase Expenses**	**19,633.91**	**19,633.91**	**18988.38**
1	Power Purchase Cost	17,322.84	17,322.84	16949.58
2	Inter-State Transmission charge	1,258.53	1,258.53	695.05
3	Intra-State Transmission Charges	1,046.66	1,046.66	1318.54
4	CSLDC Charges	8.99	8.99	25.21
B	**Operation & Maintenance Expenses**	**2,835.38**	**3,203.34**	**2705.99**
1	Net Employee Expenses	1,307.57	1,307.57	1383.30
2	Net A&G Expenses	88.05	88.05	104.94
3	Net R&M charges	489.48	489.48	298.80
4	AMISP Charges for Smart Metering	-	367.97	0.00
5	Pension & Gratuity	950.27	950.27	918.95
C	**Interest & Finance Expenses**	**704.36#**	**610.83**	**290.41**
1	Interest on Loan	360.46	360.46	197.25
3	Interest on Working Capital Requirement	250.37	250.37	93.16
D	**Other Expenses**	**1,102.36#**	**1,007.73**	**971.57**
1	Depreciation	543.89	543.89	512.55
2	Return on Equity	463.84	463.84	459.03
E	**Less: Non-Tariff Income**	**133.26**	**133.26**	**461.59**
1	Non-Tariff Income	133.26	133.26	133.26
2	Wheeling Charges Open Access, Reactive charges & Cross Subsidy Charges	-	-	328.33
F	**Less: Revenue from Sale of Surplus Power**	**872.34**	**872.34**	**-**
1	Less: Sale of Power to Telangana	**-**	**-**	**-**
2	Less: Sale of Surplus Power*	872.34	872.34	-
G	**Aggregate Revenue Requirement**	**23,082.26**	**23,450.23**	**22,494.76**

Note*: # Totalling mistake in sub heads in original petition*

** The revenue from sale of surplus power has been considered under revenue by the Commission rather than reducing the same from the ARR*

13.19 Revenue from sale of power

CSPDCL's Submission

CSPDCL submitted that the Revenue from Sale of Power for FY 2025-26 has been calculated based on the tariff approved by the Commission in the Tariff Order for FY 2024-25 dated 1st June 2024 and the projected sales to each category. CSPDCL submitted the category-wise revenue from sale of power for FY 2025-26 at existing tariff as shown in the Table below:

Table 13-34: Revenue from sale of power at existing tariff for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Sl.	Category Name	Category	Revenue
LV Categories (A)			**11,869.76**
1	LV 1	Domestic Including BPL Consumers	3,666.64
2	LV 2	Non-Domestic (Normal Tariff)	335.32
3	LV 3	Non-Domestic (Demand Based)	1,108.97
4	LV 4	Agriculture Metered	3,644.49
5	LV 5	Agriculture allied	40.16
6	LV 6	LT Industry	684.31
7	LV 7	Public Utilities	770.18
8	LV 8	IT Industry	0.86
9	LV 9	Temporary	1,618.83
HV Categories (B)			**12,783.95**
10	HV 1	Railway Traction	1,023.55
11	HV 2	Mines (Coal & Others)	697.58
12	HV 3	Other Industry & General Purpose Non-Industrial	2,213.00
13	HV 4	Steel Industries	8,408.99
14	HV 5	PWW, Irrigation & Agriculture allied	236.45
15	HV 6	Residential Purpose	184.01
16	HV 7	Start-up Power Tariff	9.73
17	HV 8	Industries related to manufacturing of RE power generation equipment	3.94
18	HV 9	IT & Textile Industries	0.87
19	HV 10	Temporary	5.83
Total (A + B)			**24,653.71**

Commission's View

The Commission has computed the revenue from sale of power at the prevailing tariffs approved in the Tariff Order dated 01st June, 2024 and the category-wise sales approved in this Order.

The revenue from sale of power for FY 2025-26 at existing tariff works out to Rs. 25,112.95 Crore, as shown in the Table below:

Table 13-35: Revenue from sale of power at existing tariff for FY 2025-26 as computed by the Commission (Rs. Crore)

Sl.	Category Name	Category	Revenue
LV Categories (A)			**12,710.28**
1	LV 1	Domestic Including BPL Consumers	3,857.87
2	LV 2.1	Non-Domestic (Normal Tariff)	326.18
3	LV 2.2	Non-Domestic (Demand Based)	1,154.19
4	LV 3	Agriculture Metered	3,829.73
5	LV 4	Agriculture allied	38.26
6	LV 5	LT Industry	692.68
7	LV 6	Public Utilities	883.32
8	LV 7	IT & Textile Industries	0.50
9	LV 8	Temporary	1,927.54
HV Categories (B)			**12,402.67**
10	HV 1	Railway Traction	1,050.03
11	HV 2	Mines (Coal & Others)	635.32
12	HV 3	Other Industry & General Purpose Non-Industrial	2,228.18
13	HV 4	Steel Industries	8,053.11
14	HV 5	PWW, Irrigation & Agriculture allied	237.45
15	HV 6	Residential Purpose	161.24
16	HV 7	Start-up Power Tariff	12.82
17	HV 8	Industries related to manufacturing of RE power generation equipment	9.62
18	HV 9	IT & Textile Industries	1.36
19	HV 10	Temporary	13.55
Total (A + B)			**25,112.95**

13.20 Revenue from Sale of Surplus Power

CSPDCL has submitted the revenue from sale of 2042.94 MU of surplus power for FY 2025-26 as Rs. 872.34 Crore at the rate of Rs. 4.27/kWh. The Commission has considered the revenue from sale of surplus power for the balance quantum of energy, i.e., 2871.24 MU and the sale rate is considered in line with CSPDCL, i.e., Rs. 4.27/kWh.

The revenue from sale of surplus power considered by the Commission is shown in the Table below:

Table 8-6: Revenue from Sale of Surplus Power as approved by the Commission

Particulars	MU	Rs. Crore	Rs/kWh
Sale of Surplus Power to Power Exchange	2871.24	1226.02	4.27

Thus, the Commission has approved total revenue of Rs. 26338.97 Crore taking into account revenue from retail power sales at existing tariff and revenue from sale of surplus power as shown in the Table below:

Table 8-6: Revenue from Sale of Power as approved by the Commission

Particulars	Rs. Crore
Revenue from sale of power at existing tariff	25112.95
Sale of Surplus Power to Power Exchange	1226.02
Total	**26338.97**

13.21 Stand-alone Revenue Gap/(Surplus) for FY 2025-26

CSPDCL's Submission

CSPDCL projected a stand-alone Revenue Surplus of Rs. 1,571.45 Crore in FY 2025-26, based on the projected ARR and revenue from existing tariffs.

Commission's View

The Commission noted that CSPDCL has updated the ARR Table to include the 'AMISP charges for smart metering' in FY 2025–26, as reflected in their revised submission vide dated 21st March 2025. The Commission has computed the standalone Revenue Surplus for FY 2025-26 based on the ARR approved and Revenue from existing tariff and sale of surplus power as computed earlier, as shown in the Table below:

Table 13-36: Standalone Revenue Gap/(Surplus) for FY 2025-26 (Rs. Crore)

Particulars	CSPDCL Original Petition	CSPDCL Revised Submission	Approved
Aggregate Revenue Requirement	23,082.26	23,450.23	22,494.76
Revenue from sale of power at existing tariff + Sale of Surplus Power	24,653.71	24,653.71	26,338.97
Standalone Revenue Gap/(Surplus) for FY 2022-23	**(1,571.45)**	**(1,203.48)**	**(3,844.22)**

The Commission thus, approves standalone Revenue Surplus of Rs. 3,844.22 Crore for FY 2025-26 for CSPDCL.

13.22 Cumulative Revenue Gap/(Surplus) for FY 2025-26

CSPDCL's Submission

CSPDCL submitted that there is net standalone Revenue Surplus of Rs. 1,571.45 Crore for FY 2025-26. However, considering the net Revenue Gap of Rs 5,603.23 Crore carried forward from true up along with carrying cost, there is overall Revenue Gap of Rs 4,559.30 Crore for FY 2025-26 as shown in the Table below:

Table 13-37: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Sr. No	Particulars	Legend	CSPDCL Petition
1	Aggregate Revenue Requirement	A	23,082.26
2	Income from Sale of Power at Existing Tariff	B	24,653.71
3	Standalone (Deficit) / Surplus	C=B-A	1,571.45
4	(Deficit) / Surplus carried forward from FY 2023-24	D	(5,603.23)
5	Interest Rate (%)	E	10.95%
6	Holding/ Carrying cost for the year	F=(D*E)+(C/2*E)	(527.52)
7	Net (Deficit) / Surplus for the year	G=D+F	(6130.75)
8	Cumulative Revenue Surplus/ (Deficit)	H=C+G	(4,559.30)
9	Adjusted ARR for Recovery	I=A+H	27,641.56
10	Total estimated sales (MU)	J	35,727.18
11	**Stand alone cost of supply**	**K=(A/J)*10**	**6.46**
12	**Adjusted Cost of supply after considering Gap**	**L=(I/J)*10**	**7.74**

Commission's View

The standalone Revenue Surplus of CSPDCL for FY 2025-26 has been combined with the Revenue Gap/(Surplus) of CSPGCL, CSPTCL, CSLDC, and CSPDCL after truing up for FY 2023-24 and the impact of the Review Petition filed by CSPDCL on the Tariff Order for FY 2024-25, along with carrying cost, as discussed earlier in the previous chapter.

The Commission observed that, in its responses to queries, CSPDCL revised its figures to reflect a cumulative revenue gap of Rs. 5,059.10 Crore. This total includes an additional Rs. 96.24 Crore attributable to the impact of the APTEL Judgment on the CSD issue in its ARR claim for FY 2023–24, as well as Rs. 367.97 Crore for AMISP expenses related to smart-meter installation in the ARR projection for FY 2025–26. CSPDCL also updated its carrying-cost calculations accordingly.

The Commission observed that in the original petition of CSPDCL, the Adjusted ARR for recovery in FY 2025-26 shown as Rs. 27,641.56 Crore by CSPDCL is an incorrect representation, as CSPDCL has added the Cumulative Gap of Rs. 4,559.30 Crore to the Standalone ARR for FY 2025-26, rather than the Revenue at existing tariff of FY 2025-26. The actual Adjusted ARR sought by CSPDCL in its Petition is Rs. 29,213.01 Crore (Rs. 4,559.30 Crore + Rs. 24,653.71 Crore). The same mistake has been repeated by CSPDCL in its additional submission.

The cumulative Revenue Gap/(Surplus) approved by the Commission for CSPDCL for FY 2025-26, after considering all the above Revenue Gap/(Surplus) of CSPDCL, CSPGCL, CSPTCL, and SLDC, is given in the Table below:

Table 13-38: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	CSPDCL Original Petition	CSPDCL Revised Submission	Approved
1	Aggregate Revenue Requirement for FY 2025-26	23,082.26	23,450.23	22,494.76
2	Revenue from sale of power	24,653.71	24,653.71	26,338.97
3	**Standalone Revenue Gap/(Surplus)**	**(1,571.45)**	**(1,203.48)**	**(3,844.22)**
4	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPGCL	-	-	311.98
5	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPTCL	-	-	27.52
6	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSLDC	-	-	(0.98)
7	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPDCL	5,603.23	5,703.89	3,980.45
8	Carrying cost	527.52	558.69	0.00
9	Total Past Revenue Gap/(Surplus)	6,130.75	6,262.58	4,318.97
10	Interest on Additional working capital to meet shortfall in Carrying cost			48.68
11	**Cumulative Revenue Gap/(Surplus)**	**4,559.30**	**5,059.10**	**523.43**
12	**Adjusted ARR for Recovery**	**27,641.56**	**28,509.33#**	**25,636.38**
13	Total estimated sales	35,727.18	35,727.18	36,539.82
14	**Stand alone cost of supply**	**6.46**	**6.56**	**6.16**
15	**Adjusted Cost of supply after considering Gap**	**7.74**	**7.98•**	**7.02**

Actual Adjusted ARR sought by CSPDCL in its revised submission is Rs. 29,712.81 Crore (Rs. 5059.10 Crore + Rs. 24653.71 Crore)

*Actual Adjusted Cost of Supply after considering corrected Gap = Rs. 8.32/kWh after correction.

The Commission shall allow the Carrying Cost of Rs. 563.61 Crore in the next Tariff Order, and in this Order, the Commission has allowed the interest on working capital required to fund same as Rs. 48.68 Crore, as shown in the Table above.

In the above Table, the cumulative Revenue Gap/(Surplus) approved by the Commission for CSPDCL for FY 2025-26 has been shown in the same Format as submitted by CSPDCL. However, for greater clarity, the approved cumulative Revenue Gap/(Surplus) approved by the Commission for CSPDCL for FY 2025-26 has been shown in a revised Format for greater clarity, as given in the Table below:

Table 13-39: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Legend	Approved
1	Aggregate Revenue Requirement for FY 2025-26	A	22,494.76
2	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPGCL	B	311.98
3	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPTCL	C	27.52
4	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSLDC	D	(0.98)
5	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPDCL	E	3,980.45
6	Total Past Revenue Gap/(Surplus)	F = Sum (B to E)	4,318.97
7	ARR including Past Gap/(Surplus)	G = A + F	26,813.73
8	Revenue from sale of power	H	25,112.95
9	Revenue from sale of surplus power	I	1,226.02
10	Total Revenue	J = H + I	26,338.97
11	**Standalone Revenue Gap/(Surplus)**	K = A – H	**(2,618.20)**
12	Interest on Additional working capital to meet shortfall in Carrying cost	L	48.68
13	**Cumulative Revenue Gap/(Surplus)**	M = G + L - J	**523.43**
14	**Adjusted ARR for Recovery**	N = H + M	**25,636.38**
15	Total estimated sales	O	36,539.82
16	**Stand alone cost of supply**	P = A x 10/O	**6.16**
17	**Adjusted Cost of supply after considering Gap**	Q = N x 10/O	**7.02**

The recovery of the approved Revenue Requirement for FY 2025-26 through revised tariffs is elaborated in the next Chapter.

14 TARIFF PRINCIPLES AND TARIFF DESIGN

14.1 Approach for Tariff for FY 2025-26

CSPDCL's Submission

CSPDCL submitted that determination of tariff for retail sale is the prerogative of the Commission under Section 62(3) of the Electricity Act, 2003, and requested the Commission to approve uniform tariff hike across all consumer categories, in order to meet the Revenue Gap. CSPDCL submitted the Revenue Gap/(Surplus) for FY 2025-26 as shown in the Table below:

Table 14-1: Revenue Gap/(Surplus) for CSPDCL for FY 2025-26 as submitted by CSPDCL (Rs. Crore)

Sr. No.	Particulars	CSPDCL Original Petition	CSPDCL Revised Submission
1	Aggregate Revenue Requirement for FY 2025-26	23,082.26	23,450.23
2	Income from Sale of Power at Existing Tariff	24,653.71	24,653.71
3	**Standalone Revenue Gap/(Surplus)**	**(1,571.45)**	**(1,203.48)**
4	Gap/(Surplus) from true-up of FY 2023-24 for CSPDCL	5,603.23	5,703.89
5	Interest Rate (%)	10.95%	10.95%
6	(Holding)/ Carrying cost for the year	527.52	558.69
7	Net Deficit/(Surplus) for the year	6,130.75	6,262.58
8	**Cumulative Revenue Gap/(Surplus)**	**4,559.30**	**5,059.10**
9	**Adjusted ARR for Recovery**	**27,641.56**	**28,509.33#**
10	Total estimated sales (MU)	35,727.18	35,727.18
11	**Stand alone cost of supply**	**6.46**	**6.56**
12	**Adjusted Cost of supply after considering Gap**	**7.74**	**7.98***

Actual Adjusted ARR sought by CSPDCL in its revised submission is Rs. 29,712.81 Crore (Rs. 5059.10 Crore + Rs. 24653.71 Crore)

*Actual Adjusted Cost of Supply after considering corrected Gap = Rs. 8.32/kWh after correction

Commission's View

The primary objective of the Commission is to protect the interest of the consumer and at the same time ensure recovery of reasonable and justified cost by the Utilities. The Commission in the previous Orders as well as this Order has taken various steps to protect public interest and provided relief to the consumers and Utilities in the State of Chhattisgarh.

The cumulative Revenue Gap/(Surplus) approved by the Commission for CSPDCL for FY 2025-26, after considering the Revenue Gap/(Surplus) of CSPDCL, CSPGCL, CSPTCL, and SLDC, and the approved Average Cost of Supply (ACoS) is given in the Table below:

Table 14-2: Cumulative Revenue Gap/(Surplus) for CSPDCL for FY 2025-26 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	Legend	Approved
1	Standalone Aggregate Revenue Requirement for FY 2025-26	A	22,494.76
2	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPGCL	B	311.98
3	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPTCL	C	27.52
4	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSLDC	D	(0.98)
5	Gap/(Surplus) carried forward from final true-up of FY 2023-24 for CSPDCL	E	3,980.45
6	Total Past Revenue Gap/(Surplus)	F = Sum (B to E)	4,318.97
7	ARR including Past Gap/(Surplus)	G = A + F	26,813.73
8	Revenue from sale of power	H	25,112.95
9	Revenue from sale of surplus power	I	1,226.02
10	Total Revenue	J = H + I	26,338.97
11	**Standalone Revenue Gap/(Surplus)**	K = A – H	**(2,618.20)**
12	Interest on Additional working capital to meet shortfall in Carrying cost	L	48.68
13	**Cumulative Revenue Gap/(Surplus)**	M = G + L - J	**523.43**
14	**Adjusted ARR for Recovery**	N = H + M	**25,636.38**
15	Total estimated sales	O	36,539.82
16	**Stand alone cost of supply (Rs. / kWh)**	P = A x 10/O	**6.16**
17	**Adjusted Cost of supply after considering Gap (Rs./ kWh)**	Q = N x 10/O	**7.02**

The Commission has ensured that the entire Revenue Requirement approved for FY 2025-26, including the Revenue Deficit arising after true-up of FY 2023-24, shall be recovered through the revised tariffs applicable for FY 2025-26.

14.2 Voltage-wise Cost of Supply for FY 2025-26

The Commission has received a copy of the Judgment dated 01.07.2025 passed by the Hon'ble Appellate Tribunal for Electricity ("Hon'ble APTEL") in Appeal No. 303 of 2019 titled as *Jaiswal Neco Industries Ltd. vs CSERC & Anr.*, on 05.07.2025. The said Appeal had challenged the Order of the Commission dated 28.02.2019 in Petition No. 05/2019 (T) by which the ARR and Retail Supply Tariff ("RST") of CSPDCL were determined for FY 2019-20. The primary ground of challenge in the said Appeal was that the Tariff should be based on segregated voltage-wise cost of supply for different categories of consumers and not as per the Average Cost of Supply.

The Commission had placed its difficulty in terms of the non-availability of data by CSPDCL to enable it to carry out such an exercise. Even the CSPDCL's stand before the Hon'ble APTEL was that it required an additional year to complete the final report to give the complete data for the determination of category-wise cost of supply. The Hon'ble APTEL has granted this time, directing the Commission to monitor the progress of the completion of the study to be carried out by CSPDCL.

There is also a direction to this Commission to determine the Tariff based on the voltage-wise cost of supply as per the formulation given by the Hon'ble APTEL in another Judgment dated 30.05.2011 passed in *M/s Tata Steel Limited & Ors. Vs. Orissa Electricity Regulatory Commission & Ors.,* in Appeal Nos. 102, 103 & 112 of 2010.

Much prior to the receipt of the aforesaid Judgment, this Commission had conducted the Public Hearing on 19th and 20th June, 2025 and the last public hearing was concluded on 30th June, 2025. The formulation given in the M/s Tata Steel Limited (supra) Judgment would also require certain data for which the Cosmmission will take immediate steps to call from CSPDCL.

In view of the position that the Tariff Order cannot be held back and that timely passing of Tariff Orders has been insisted on by the Hon'ble Appellate Tribunal in several of its Judgments, including the Order dated 11.11.2011 in OP No. 1 of 2011 titled as Tariff Revision (Suo-Motu Action on the letter received from the Ministry of Power), the Commission is releasing the Tariff Orders in compliance of the same. However, the Commission will endeavour to complete the exercise for redetermining the Cost of Supply of Jaiswal Neco as per the directions of the Hon'ble Tribunal in its Judgment dated 01.07.2025 based on the principles decided by the Hon'ble APTEL in the *M/s Tata Steel Limited (supra) Judgment (supra).*

Such re-determination may also require other changes to be made in the Tariff design and recovery, which will take time to extract the relevant data from CSPDCL.

14.3 Tariff Philosophy for FY 2025-26

As discussed earlier, the Commission has determined the Cumulative Revenue Gap of Rs. 523.43 Crore for FY 2025-26. In order to recover the Revenue Gap, the Commission has approved increase in the category-wise Tariff for FY 2025-26.

In its Petition, CSPDCL had requested the Commission to approve uniform tariff hike across all consumer categories in order to meet the Revenue Gap.

The average tariff increase effectively claimed by CSPDCL in its Petition is ~20 % to meet the Revenue Gap claimed by the Companies, which translates to average increase of Rs. 1.38/kWh.

After revising the estimates of category-wise sales and power purchase costs and considering the Revenue Gap/(Surplus) of CSPGCL, CSPTCL, CSLDC, and CSPDCL after true-up for FY 2023-24, the Commission has approved a Cumulative Revenue Gap of Rs. 523.43 Crore, and Cumulative ARR of Rs. 25,636.38 Crore for FY 2025-26.

The Average Billing Rate (ABR) estimated by the Commission at the existing tariff for FY 2025-26 is Rs. 6.88/kWh. Hence, the Commission has approved average tariff increase across all consumer categories of 1.89%, which corresponds to Rs. 0.14/kWh, with the adjusted ACoS of Rs. 7.02/kWh.

The Commission has increased the Energy Charges across different categories/slabs from Rs. 0.10/kWh to Rs. 0.50/kWh, with no change being made in the Fixed/Demand Charges. The Commission has revised the category-wise tariffs in such a manner that the cross-subsidies are reduced and are brought within +20% of ACoS as stipulated in the Tariff Policy, 2016, to the extent possible.

14.4 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 2024-25, 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.

14.5 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.

14.6 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.

14.7 Category-wise tariff

The approach of the Commission for determination of tariff for FY 2025-26 for various consumer categories is discussed below:

14.7.1 Low Voltage (LV) Consumers

The tariff applicability for Three-phase, 400 Volts has been extended for maximum demand up to 150 kW in case of demand-based tariff and up to 200 HP for maximum Sanctioned Load in case of other tariff as applicable.

14.7.2 LV 1: Domestic

The applicability and tariff of this category has been retained as approved in the previous Tariff Order for FY 2024-25 with certain modifications as below:

- Gaushala has been added and categorised under domestic category.
- Stay Homes recognised by the Government in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005 shall be categorised under LV-1 Domestic category, in order to promote tourism.
- ‘Non-profit organizations / societies registered under the Firms and Societies Act’ have been excluded from domestic category.
- If a portion of the dwelling is used for the conduct of any business other than those stipulated in the LV-1 of the Tariff Schedule, the billing shall be done as per Clause 11.12 (a) of the CSERC Supply Code.

At present, tariff for this category is telescopic in nature with five consumption slabs. The Commission has retained the slabs for fixed charges and energy charges as approved in the Tariff Order for FY 2024-25.

The energy charges of all consumption slabs have been increased in the range of 10 paise/kWh to 20 paise/kWh. Both energy charges and fixed charges have been kept telescopic, which will enable the consumers in higher consumption slabs to also get the benefit of the lower energy charges in the lower consumption slabs and lower fixed charges in the lower slabs. Further, Domestic consumers shall be entitled for subsidy as per State Government Order, and their consumption shall be billed as per tariff LV-1.

Based on the above, the monthly minimum charges are now same as the fixed charges in Rs/kW/month.

14.7.3 LV 2: Non-Domestic

The load limit for single-phase connection for LV 2 category has been retained as 5 kW.

Offset printers and Printing press units have been re-classified from LV-2: Non-Domestic to LV-5: Industry.

A separate sub-category LV-2.3 has been created for Electric Vehicle Charging Stations having single part tariff with energy charge equal to ACoS, as per MoP Guidelines. Consequently, the Commission has approved flat rate single part tariff of Rs. 7.02/kWh, i.e., equal to the AcoS.

Non-Domestic tariff category has two sub-categories, i.e., consumption-based and demand-based, which has been retained.

The Energy Charges for all sub-categories and consumption slabs have been increased by 25 paise/kWh.

The Commission has reduced the rebate in energy charges for mobile towers, set up in remote left-wing extremism affected districts regardless of their setup date, from 25% to 10%.

The clause for 'automatic adjustment provisions of the sanctioned load' shall be applicable only for LV-2.1.

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 increased the discount from 5% to 10% 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.

14.7.4 LV 3: Agriculture

The Energy Charges for this category has been increased by 50 paise/kWh.

The rebate provided to the non-subsidized agriculture pump connections has been increased from 20% to 30%.

14.7.5 LV 4: Agriculture Allied Activities

The applicability of this category has been modified as under:

LV-4.1 (B): Above 25 HP

LV-4.2: Demand based tariff for Contract Demand of 15 kW and above

The Energy Charges for load up to 25 HP, i.e., LV 4.1 (A), has been increased by 50 paise/kWh, whereas the Energy Charges for load above 25 HP and Demand Based Tariff, i.e., LV 4.1 (B) and LV 4.2, have been increased by 30 paise/kWh.

14.7.6 LV 5: LT Industries

Offset printers and Printing press units have been re-classified from "LV-2: Non-Domestic" to "LV-5: Industry".

Biomass briquettes manufacturing units have been introduced and categorised under LV-5 category.

The Energy Charges for all sub-categories have been increased by 30 paise/kWh.

The discount on Energy Charges for Poha and Murmura mills under LV-5 category has been increased from 5% to 10%.

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 allowed the rebate of 5% in energy charges for LT industries located in rural areas notified by Government of Chhattisgarh, other than the rural areas notified in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran. 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.

14.7.7 LV 6: Public Utilities

The energy charges have been increased by 50 paise/kWh.

14.7.8 LV 7: IT Industries & Export Oriented Textiles

The energy charges have been increased by 30 paise/kWh.

14.7.9 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 except for consumers taking temporary supply under LV-1 and LV-2 categories, where the Fixed Charge and Energy Charge shall be billed at 1.25 times the normal tariff applicable for the respective category, and the LV-3 category, where the Fixed Charge and Energy Charge shall be billed at the normal tariff applicable for the respective category.

14.7.10 Rebate for consumers with Pre-paid meter

LV consumers with Smart Meters and being billed on prepaid mode shall be eligible for rebate of 1.5% on energy charge (excluding FPPAS).

The Commission’s approach for determination of tariff for FY 2025-26 for HV categories is discussed below:

14.7.11 HV 1: Railway Traction

The energy charges have been increased by 30 paise/kVAh.

14.7.12 HV 2: Mines

Standalone stone crusher, mixer, mixer with stone crushers have been shifted from HV-2 category to HV-3 category.

‘Iron washery/beneficiation’ units have been shifted from HV-4 category to HV-2 category.

‘Coal washery’ has been replaced with ‘Coal washery/ beneficiation’

The energy charges for the 220 kV and 132 kV supply sub-categories have been increased by 10 paise/kVAh, while those for the 33 kV and 11 kV sub-categories have been increased by 25 paise/kVAh, in order to increase the tariff differential between 132 kV and 33 kV supply to achieve the objective of lower tariff at higher voltage.

14.7.13 HV 3: Other Industrial and General Purpose Non-Industrial

Standalone stone crusher, mixer, mixer with stone crushers have been shifted from HV-2 category to HV-3 category.

Biomass briquettes manufacturing units have been introduced and categorised under HV-3 category.

Tariff categorization under low load factor <= 15% under 11 kV and 33 kV is now restricted to consumers availing 100% supply from CSPDCL.

Electric Vehicle Charging Stations have been removed from HV-3 and a separate category, i.e., HV-11 has been created for EV Charging Stations with single-part tariff of Energy Charges equal to ACoS in Rs 6.32/kVAh

The discount of 5% on Energy Charges for Rice Mills under HV-3 category has been withdrawn.

The energy charges for the 220 kV and 132 kV supply sub-categories have been increased by 10 paise/kVAh, while those for the 33 kV and 11 kV sub-categories have been increased by 25 paise/kVAh, in order to increase the tariff differential between 132 kV and 33 kV supply to achieve the objective of lower tariff at higher voltage.The discount has been increased from 5% to 10% 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.

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 Poha and murmura mills has been continued.

14.7.14 HV 4: Steel Industries

The energy charges for the 220 kV and 132 kV supply sub-categories have been increased by 15 paise/kVAh, while those for the 33 kV and 11 kV sub-categories have been increased by 30 paise/kVAh, in order to increase the tariff differential between 132 kV and 33 kV supply to achieve the objective of lower tariff at higher voltage. Further, to boost industrialization, the special rebate of 10% on Energy Charges has been made applicable for all Units under HV-4 category above 132 kV voltage level located in "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), without limitation of cut-off date, while the special rebate shall be 5% for such units at 132 kV and below.

'Iron beneficiation' units have been shifted from HV-4 category to HV-2 category.

The Load Factor rebate for HV-4 Steel Industries category has been made applicable for Load Factor ranging from 50% to 75%.

The provision for 30 hours per month of power-off (non-supply) has been extended to all voltage levels (11 kV, 33 kV, 132 kV and 220 kV).

14.7.15HV 5: Irrigation, Agriculture Allied Activities & Public Water Works

The energy charges have been increased by 25 paise/kVAh.

14.7.16 HV 6: Residential

The energy charges have been increased by 25 paise/kVAh.

14.7.17 HV 7: Start up Power

The energy charges have been increased by 25 paise/kVAh.

The generators and captive generating plants who have not availed start up connection and eventually draw power are not required to be billed separate demand charges. The rate for such industries which eventually draw power has been prescribed at @ Rs. 14 per kVAh and this rate factors the demand charges and the energy charges both.

14.7.18 HV 8: Industries related to manufacturing of equipment for power generation from renewable energy sources

The energy charges have been increased by 30 paise/kVAh.

14.7.19 HV 9: Information Technology & Export Oriented Textile Industries

The energy charges have been increased by 30 paise/kVAh.

14.7.20 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.

14.7.21 HV 11: Electric Vehicle Charging Stations

A separate category has been created as HV-11 for Electric Vehicle Charging Stations with single-part tariff equal to ACoS of Rs. 6.32/kVAh, in accordance with the Guidelines notified by the Government of India.

14.8 Minimum Billing Demand

The minimum Billing Demand for the relevant LV categories and all HV categories has been increased from 80% to 85% of Contract Demand.

14.9 Advance Payment Rebate

Rebate on advance payment amount has been increased from 0.5% to 1.25% for both LV and HV categories. Consumer will get rebate, in his electricity bill, equal to 1.25% of advance amount paid to CSPDCL. Such rebate shall be applicable only to the consumers who have no arrears due. Consumers may pay an advance up to maximum amount paid in last three bills (excluding duty and cess). For example, for the electricity consumption for the period from 1st August, 2025 to 31st August, 2025, the consumer can pay the advance electricity bill on or before 31st July, 2025 to avail this benefit.

Illustration – If bill paid amount, excluding duty and cess, of a consumer are Rs. 80000/-, Rs. 1,00,000/- and Rs. 90,000/- in April-2025, May-2025 and June-2025 respectively, then that consumer can deposit advance amount, up to maximum Rs. 1,00,000/- only to get benefit of advance payment rebate, till 31st July 2025. If such consumer chooses to deposit Rs. 1,00,000/- as advance payment then that consumer will get rebate of Rs. 1,250/- (1.25% of advance amount i.e. Rs. 1,00,000/-) in electricity bill of August-2025.

Case I- If the electricity bill of August-2025 is Rs. 85,000/-, then after adjusting advance amount of Rs. 1,00,000/- and rebate on advance amount i.e. Rs. 1,250/-, the consumer has balance amount of Rs. 16,250/- remaining for further adjustment. This balance amount shall be treated as advance payment towards the electricity bill for the month of September-2025.

Case II- If the electricity bill of August-2025 is Rs. 1,10,000/-, then after adjusting advance amount of Rs. 1,00,000/- and rebate on advance amount i.e. Rs. 1,250/-, the consumer has to pay Rs. 8,750/- only.

14.10 Time of Day Charges

CSPDCL submitted that as per the Electricity (Rights of Consumers) Rules, 2023 issued on 14-06-2023 by MoP, GoI, the ToD tariff is to be made effective for all consumers except agriculture consumers from a date no later than **1st April 2024**.

Also, the Commission, in the previous Tariff Order for FY 2024-25, directed CSPDCL to propose a ToD Tariff for consumers having load more than **10 kW**. Further, installation of Smart Meters is under way in CSPDCL, and it is feasible to implement the ToD tariff for LV consumers except agriculture consumers with Contract Demand above 10 kW. Presently, the ToD tariff is applicable for HV tariff categories of HV-2, HV-3, and HV-4.

In compliance with the requirements of the Electricity (Rights of Consumer) Rules, 2023 and the Commission's directives, CSPDCL proposed implementation of ToD tariff for the following categories:

- LV consumers except agriculture consumers with Contract Demand above 10 kW, where smart meters have been installed
- HV categories where programmable tri-vector meters are already installed.

Tariff Category	Description	Applicability
HV-2	Mines	ToD tariff is already applicable
HV-3	Other Industrial and General Purpose Non-Industrial	ToD tariff is already applicable
HV-4	Steel Industries	ToD tariff is already applicable
HV-6	Residential	To be made applicable
HV-8	Industries related to manufacturing of equipment for …*	To be made applicable
HV-9	Information Technology & Export Oriented Textile Industries	To be made applicable
LV-1	Domestic	To be made applicable to the consumers having Contract Demand above 10 kW
LV-2	Non-Domestic	To be made applicable to the consumers having Contract Demand above 10 kW
LV-5	L.V. Industry	To be made applicable to the consumers having Contract Demand above 10 kW
LV-6	Public Utilities	To be made applicable to the consumers having Contract Demand above 10 kW
LV-7	Information Technology & Export Oriented Textile Industries	To be made applicable to the consumers having Contract Demand above 10 kW

CSPDCL further submitted that consumers availing temporary power supply are not included to be billed under ToD tariff in LV category and HV category, except for HV-2, HV-3 and HV-4 category.

CSPDCL also proposed that, as and when the existing conventional electronic meters are replaced with Smart Meters for the LT consumer categories listed in the above Table, the ToD tariff shall become applicable to such consumers from the next billing cycle to allow for programming requirements.

If a LV consumer (excluding Agriculture LV-3 and Agri-Allied LV-4) with a Contract Demand above 10 kW, currently using a conventional electronic meter, wishes to opt for the ToD tariff, their meter will be replaced with a Smart Meter on a priority basis, and the ToD facility will be activated thereafter.

If the proposal to implement the ToD tariff is approved by the Commission, additional time may be required to reprogramme the existing meters for HV-6, HV-8, and HV-9 category consumers, as well as the newly installed Smart Meters for LV consumers. Accordingly, the Commission is requested to grant a one-month grace period to complete this programming.

CSPDCL in its original Petition had proposed that during "Solar Hours", the consumers eligible for ToD tariff (HV-2, HV-3, HV-4) may be allowed to draw additional demand of 20% over their Contract Demand, in order to boost consumption, which shall in turn result in economical utilization of surplus power. However, in its additional submission dated 17.06.2025, CSPDCL has withdrawn this proposal citing the reason of system technicality issue.

Commission's Analysis

The MoP vide Amendment to the Electricity Rules, 2023 dated 14th June 2023 has added new Rule 8A regarding the ToD Tariff, as reproduced below:

> *"(8A) Time of Day Tariff.-The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*
>
> *Provided that, the Time-of-Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:*
>
> *Provided further that**, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers**:*
>
> *Provided also that the Time-of-Day Tariff shall be applicable on energy charge component of the normal tariff:*
>
> *Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.*
>
> *Explanation: - For the purposes of this rule, the expression **"solar hours" means the duration of eight hours in a day as specified by the State Commission.**"*

The Commission has reviewed the submission and proposal from CSPDCL regarding the implementation of the ToD tariff. The Commission notes that CSPDCL has proposed to implement ToD tariff for LV categories and HV categories other than already existing HV-2, HV-3 and HV-4. Taking into account the Rules notified by the Ministry of Power and the proposal submitted by CSPDCL, the Commission has approved ToD tariff for LV and HV categories separately as below:

<u>LV Categories</u>

This tariff is applicable to LV-1, LV-2, LV-5, LV-6 and LV-7 tariff category for consumers with Sanctioned Load of more than 10 kW and having Smart Meters installed. Under the Time of Day (TOD) Tariff, electricity consumption in respect of LV consumers for different periods of the day, i.e., Normal period, peak load period, and Off-peak load period (Solar Hours), shall be recorded by installing a Smart Meter. Consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer:

Period of Use	Normal rate of Demand Charge Plus
(i) Normal period (23:00 hours to 09:00 hours)	Normal rate of Energy Charges
(ii) Off-peak load period (Solar Hours) (09:00 hours to 17:00 hours)	95% of normal rate of Energy Charge
(iii) Peak load period (17:00 hours to 23:00 hours)	105% of normal rate of Energy Charge

The Solar Hours have been stipulated as the 8-hour period from 09:00 hours to 17:00 hours, considering the State-specific requirement, which are now identified as 'off-peak hours', with energy charges being levied at 95% of normal rate. The period from 17:00 hours to 23:00 hours has been stipulated as 'peak hours', with energy charges being levied at 105% of normal rate. The remaining period, i.e., from 23:00 hours to 09:00 hours has been stipulated as 'normal hours', with energy charges being levied at normal rate.

ToD tariff for tariff categories of LV-1, LV-2, LV-5, LV-6 and LV-7 category shall be applicable with effect from 01st September 2025, to the consumers whose Smart Meters have been installed. CSPDCL is directed to install smart meters for consumers having load more than 10 kW on priority basis. ToD tariff for such consumers will be applicable from the date of installation of smart meter.

The ToD tariff shall be implemented for the consumers from the next billing cycle after installation of Smart Meters. Consumers availing temporary power supply shall not be billed under ToD tariff.

HV Categories

This tariff is applicable to HV-2, HV-3, HV-4, HV-5, HV-6, HV-8, HV-9 and HV-11 tariff category. Under the Time of Day (TOD) Tariff, electricity consumption in respect of HV industries for different periods of the day, i.e., Normal period, peak load period, and Off-peak load period (Solar Hours), shall be recorded by installing a TOD/Smart meter. Consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer:

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

Period of Use	Normal rate of Demand Charge Plus
(iii) Peak load period (17:00 hours to 23:00 hours)	120% of normal rate of Energy Charge

ToD tariff for tariff categories of HV-5, HV-6, HV-8, HV-9 and HV-11 category shall be applicable with effect from 01st September 2025, for enabling CSPDCL to complete the preparatory work. CSPDCL should ensure that 100% of the ToD meters are re-programmed by 31st August, 2025.

14.11 Wheeling Charges

The Wheeling Charges for 33 kV have been computed by considering 35% of the Wires ARR, in line with the approach adopted in previous Tariff Orders. For LT Voltage level, 100% of the Wires ARR has been considered. The total energy requirement at 33 kV has been considered as 34,343.61 MU based on the approved Energy Balance for FY 2025-26.

For long-term, medium-term and short-term open access customers connected at 33 kV, Wheeling Charges shall be Rs. 297.90/MWh (or Rs. 0.2979 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.

For long-term, medium-term and short-term open access customer connected below 33 kV: Rs. 851.30 per MWh (or Rs. 0.8513 per kWh).

Energy losses shall be applicable as under, for conventional as well as RE Open Access transactions:

The Open Access customers availing long-term/medium-term/short-term open access customers shall bear the energy loss specified as under:

i) 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 connected at 33 kV/11 kV.

ii) Distribution Losses of 10% for the energy scheduled for distribution at the point or points of injection below 33 kV shall be recoverable from open access customers connected at LV voltages.

iii) Energy losses for using both the transmission system of CSPTCL and distribution system of CSPDCL or Combination thereof shall be 6% up to 33 kV.

iv) Energy losses for using both the transmission system of CSPTCL and distribution system of CSPDCL or Combination thereof shall be 10% below 33 kV.

14.12 Revenue at Approved Tariff

The approved Tariff Schedule is given in the next Chapter.

The revised tariff will be applicable with effect from July 1, 2025, for the consumers of the State, for FY 2025-26 and till such date as revised by the next Tariff Order issued by the Commission. The category-wise revenue at revised tariffs approved in this Order is shown in the Table below:

Table 14-3: Revenue in FY 2025-26 at Tariffs approved by the Commission

Sl.	Category Name	Category	Revenue
LV Categories (A)			**13,371.12**
1	LV 1	Domestic Including BPL Consumers	3,959.64
2	LV 2.1	Non-Domestic (Normal Tariff)	336.75
3	LV 2.2	Non-Domestic (Demand Based)	1,184.54
4	LV 3	Agriculture Metered	4,168.13
5	LV 4	Agriculture allied	39.79
6	LV 5	LT Industry	717.43
7	LV 6	Public Utilities	943.74
8	LV 7	IT & Textile Industries	0.51
9	LV 8	Temporary	2,020.59
HV Categories (B)			**12,269.69**
10	HV 1	Railway Traction	1,099.87
11	HV 2	Mines (Coal & Others)	649.00
12	HV 3	Other Industry & General Purpose Non-Industrial	2,289.61
13	HV 4	Steel Industries	7,780.41
14	HV 5	PWW, Irrigation & Agriculture allied	245.32
15	HV 6	Residential Purpose	166.38
16	HV 7	Start-up Power Tariff	13.13
17	HV 8	Industries related to manufacturing of RE power generation equipment	10.21
18	HV 9	IT & Textile Industries	1.44
19	HV 10	Temporary	14.32
Total (A + B)			**25,640.81**

The computation of category-wise revenue from revised tariff approved for CSPDCL for FY 2025-26 is given as **Annexure V** to this Order.

14.13 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. 7.02 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 14-4: Cross-subsidy with Existing tariff and Approved tariff

Consumer Category		Approved in Tariff Order FY 2024-25		Approved in Tariff Order for FY 2025-26	
		ABR (Rs. /kWh)	ABR/ ACOS (%)	ABR (Rs. /kWh)	ABR/ ACOS (%)
LV	Domestic	5.37	78%	5.55	79%
	Non-Domestic	9.17	133%	9.30	133%
	Agriculture	5.67	82%	6.16	88%
	Industry	8.12	117%	8.70	124%
	Public Utilities	7.28	105%	7.81	112%
HV	Railway Traction	6.75	98%	7.36	105%
	Mines	9.44	136%	10.52	150%
	Other Industrial & General Purpose Non-Industrial	9.63	139%	9.78	140%
	Steel Industries	7.25	105%	6.86	98%

14.14 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 Commission has determined Cross Subsidy Surcharge (CSS) separately for 220 kV and above, 132 kV, 33 kV, 11 kV, and LV voltages.

The sales of the subsidising categories at different voltages and the revenue from revised tariffs approved in this Order for these categories have been summarised in the Table below:

Table 14-5: Sales and Revenue at Approved tariff for Subsidising Categories

Sl.	Voltage level	Sales (MU)	Revenue at approved tariff (Rs. Crore)
1	220 kV	1,326.90	1,107.87
2	132 kV	1,893.85	1,506.27
3	33 kV	2,213.60	2,155.99
4	11 kV	827.65	796.31
5	LT	6,329.94	5,243.35

The CSS has been computed as the difference between the Average Billing Rate (ABR) and the ACoS, subject to the ceiling of 20% of ACoS (i.e., Rs. 1.40/kWh), in accordance with the MoP Rules, as shown in the Table below:

Table 14-6: Approved CSS for FY 2025-26 (Rs./kWh)

Sl.	Voltage level	ABR	ACoS	CSS for FY 2025-26
1	220 kV	1,326.90	1,107.87	**1.33**
2	132 kV	1,893.85	1,506.27	**0.94**
3	33 kV	2,213.60	2,155.99	**1.40**
4	11 kV	827.65	796.31	**1.40**
5	LT	6,329.94	5,243.35	**1.27**

Thus, the approved Cross-Subsidy Surcharge (for conventional and RE Open Access) is as under:

i. For 220 kV & above consumers: Rs. 1.33 per kWh;
ii. For 132 kV consumers: Rs. 0.94 per kWh;
iii. For 33 kV consumers: Rs. 1.40 per kWh;
iv. For 11 kV consumers: Rs. 1.40 per kWh;
v. For LT consumers: Rs. 1.27 per kWh

14.15 Rebate in Transmission charges for Open Access Solar

The Transmission Charges applicable for Long/Medium-term Open Access transactions involving Solar Energy shall be 33% of the normal Transmission Charges.

14.16 Green Energy Tariff

The Commission observed that the CSPDCL has not submitted any proposal for Green Energy Tariff in its Petition.

The Commission has separately determined the Green Energy Tariff and revised it to reflect the latest costs for two types of green energy transactions as follows:

a. Green Energy Tariff and Modalities for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect: **Rs. 0.50/kWh**
b. Tariff for Green Energy and Modalities for consumers availing Green Energy from Distribution Licensee as per CSERC Regulations.

Incremental Green Energy Tariff for different RE sources is as shown below:

Green Energy Source	Approved Green Energy Tariff (Rs/kWh)
Wind	0.24
Hydro	4.43

Others	2.03

The Green Energy Charges shall be over and above the existing fixed and energy charges applicable for different categories of consumers. Also, in addition to above Green Energy Charges, Demand Charges/Fixed Charges or any other charges as being approved by the Commission in this Order shall also be applicable to the respective categories of consumer.

14.17 Fuel and Power Purchase Adjustment Surcharge (FPPAS)

The Commission has introduced the Fuel and Power Purchase Adjustment Surcharge (FPPAS) formula consistent with the Electricity (Amendment) Rules, 2022, notified by Central Govt.

FPPAS shall be levied on the energy charges on all the LV and HV categories including temporary supply. The FPPAS amount for CSPDCL shall be determined on monthly basis.

Unless intimated otherwise by the Commission, FPPAS shall be computed and charged by CSPDCL, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Transmission Charges for the power procured during the nth month. The percentage and the amount of the FPPAS shall be shown separately in the consumers' bills. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year.

As the revised tariff for FY 2025-26 is being implemented with effect from 1st July 2025, the base rate for computation of FPPAS for the month of April, May and June 2025 shall be as approved in the Tariff Order for FY 2024-25, whereas the base rate for computation of FPPAS for the month of July 2025 shall be as approved in the Tariff Order for FY 2025-26.

CSPDCL shall work out the amount of FPPAS and shall intimate the same and manner of determination of the same to the Commission. The gist of FPPAS computation shall be widely publicized by CSPDCL in the leading newspapers of the State. Calculations of the FPPAS for the particular month shall be displayed by CSPDCL on its website for the information of the consumers.

The values of various parameters required for calculation of FPPAS are given below:

i. Average Billing Rate (ABR) – Rs. 7.02/ kWh
ii. Intra-State Losses – 3%
iii. Distribution Losses including EHV Sales – 11.73%
iv. Inter-State Losses – 3.54%
v. Projected average Power Purchase Cost (PPC) – Rs. 3.80/kWh
vi. Base cost of monthly transmission charges - Rs. 169.9/Cr.

14.18 Parallel Operation Charges

The Commission has revised the Parallel Operation Charges for Captive Power Plants from 13 paise/kWh to 15 paise/kWh.

14.19 Applicability of Order

The approved Tariff Schedule for FY 2025-26 is given in the next Chapter.

The Order will be applicable from 1st July, 2025 and will remain in force till March 31, 2026 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.

15 TARIFF SCHEDULE FOR FY 2025-26

This Tariff Schedule shall be applicable from July 1, 2025.

1.1 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/Sanctioned Load up to 150 kW in case of demand-based tariff or for maximum Sanctioned Load of 200 HP in case of other tariff, as applicable.

1.1.1 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 , 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, gaushala, 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.

This tariff shall also be applicable to Stay Homes recognised by the Government in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005.

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	4.10
	101-200 units		4.20
	201 - 400 units		5.60

Category of Consumers	Units Slab	Fixed Charge (Rupees per kW)	Energy Charge (Rs. per kWh)
	401 – 600 units	and up to 10 kW;	6.60
	601 and above units	Rs. 40/- per kW per month for Sanctioned Load above 10 kW	8.30

<u>Notes:</u>

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 billing should be done as per clause 11.12 (a) of the Supply Code.

1.1.2 LV-2: Non-Domestic

Applicability

This tariff is applicable to light and fan and power to shops, showrooms, business houses, offices, educational institutions (except those included in LV-1 and LV-5), public buildings, Warehouses, town halls, clubs, gymnasium and health clubs, meeting halls, places of public entertainment, circus, hotels, cinemas, railway stations, private clinics and nursing homes including X-rays plant, diagnostic centres, pathological labs, juice centres, billboards/hoardings and advertisement services, typing institutes, internet cafes, STD/ISD PCO's, Mobile Towers, coaching centres, FAX/photocopy shops, tailoring shops, photographers and colour labs, laundries, cycle shops, compressors for filling air, nickel plating on small scale, restaurants, eating establishments, Government circuit houses/rest houses, guest houses, marriage gardens, farmhouses being used for commercial purposes, book binders, bakery shop, banks, parlours, computer centre, petrol pumps and service stations, electric charging centres for Vehicles, HV industrial consumers seeking separate independent LV connection in the same premises of HV industrial connection and other consumers not covered under any other category of LV consumers.

Tariff:

Category of Consumers	Units Slab	Fixed Charge (Rs per kW of Contracted load/Billing Demand)	Energy Charge (Rs. per kWh)
LV-2.1: Single Phase Non-Domestic- (up to 5 kW)	0 – 100 units	Rs. 50 per kW per month	6.30
	101 - 400 units		7.30
	401 and above units		8.70
LV-2.2: Three Phase Non-Domestic			
(A) Up to 15 kW	0-400 units	Demand Charges- Rs 120/kW/month on billing demand	7.30
	401 and above units		8.70
(B) Above 15 kW	All units	Demand Charges- Rs 200/kW/month on billing demand	8.00
LV-2.3: Electric Vehicle Charging stations	All units	Nil	7.02

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. In case of LV-2.1, 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. In case of LV-2.1, 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. A discount of 10% on Energy Charges shall be applicable for

- Mobile towers set up in Government notified left-wing extremism affected districts.
- Commercial activities being run exclusively by registered women self-help groups.
- 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.

1.1.3 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	5.80

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 30% 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.

1.1.4 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	5.80
LV-4.1 (B): Above 25 HP	Rs. 110 per HP per month or Rs. 147 per kW per month	6.35
LV-4.2: Demand based tariff for Contract Demand of 15 kW and above	Rs. 200 per kW per month on billing demand	6.55

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.

1.1.5 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, Biomass briquettes manufacturing units, handicraft, agro-processing units, ethanol industries, aluminium based factory, bakery/biscuit industries, bottling plant, cable/insulation industries, Cement Based Factory, Chemical Plant, Coal Based Industries, Conductor Wire Industries, Cutting & Polishing Of Marble, Fabrication Workshop, Food Processing Industry, minor forest produce based units, Forest Product based factory, GI Wire Industries, Glass Industries, Hot Mixing Plant, IT based industries, Mineral based factory, Plastic Industries, offset printers, Printing press, Plywood factory, Pulverize industries, Rolling Mill, Saw Mill, furniture manufacturing/making units, mines, mines with stone crusher unit, stone crusher, mixer, mixer with stone crushers, Toy Industries, Wire Drawing / Steel Industries, Wire Product, industries run by Registered Women self-help group, workshops, fabrication shop, Gramin Aoudyogik Park established under Narwa, Garua, Ghurwa, Bari Sankalpana Yojana of the Government of Chhattisgarh, etc.

Tariff:

Category of Consumers		Demand Charge	Energy Charge (Rs. per kWh)
LV-5: L.V. Industry			
5.1	Flour mills, Hullers, power looms, grinders for grinding masalas, terracotta, handloom, handicraft, agro-processing units, minor forest produce up to 25 HP or 18.7 kW	Rs. 80/kW/month on billing demand	5.05
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 80/kW/month on billing demand	4.55
5.2	Other Industries		
5.2.1	Up to 25 HP or 18.7 kW	Rs. 120/kW/month on billing demand	6.05
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 100/kW/month on billing demand	5.05
5.2.2	Above 25 HP (18.7 kW)	Rs. 150/kW/month on billing demand	6.80
a)	Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran*	Rs. 130/kW/month on billing demand	6.30

*Notified Vide Order dated August 22, 2005

Notes:

i. Demand Charge on contract demand is monthly minimum charge, whether any energy is consumed during the month or not.

ii. A rebate of 5% in energy charges for consumers specified under tariff category shall be allowed for LV industries located in rural areas notified by Government of Chhattisgarh, other than the rural areas notified in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran.

iii. A rebate of 10% on Energy Charges shall be applicable for:

- Industrial activities being run exclusively by registered women self-help groups.
- Poha and Murmura mills.

1.1.6 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	7.35

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.

1.1.7 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	6.05

Note:

Demand Charge is payable as monthly minimum charge whether any energy is consumed during the month or not.

1.1.8 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 1.5 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.

Provided further that for LV-1 and LV-2 categories, the Fixed Charge and Energy Charge shall be billed at 1.25 times the normal tariff applicable to the respective 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 1.1.14.

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.

1.1.9 Time of Day Tariff

This tariff is applicable to LV-1, LV-2, LV-5, LV-6 and LV-7 tariff category for consumers with Sanctioned Load of more than 10 kW and having Smart Meters installed. Under the Time of Day (TOD) Tariff, electricity consumption in respect of LV consumers for different periods of the day, i.e., Normal period, peak load period, and Off-peak load period (Solar Hours), shall be recorded by installing a Smart Meter. Consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer:

Period of Use	Normal rate of Demand Charge Plus
(i) Normal period (23:00 hours to 09:00 hours)	Normal rate of Energy Charges
(ii) Off-peak load period (Solar Hours) (09:00 hours to 17:00 hours)	95% of normal rate of Energy Charge
(iii) Peak load period (17:00 hours to 23:00 hours)	105% 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 LV Tariff) of the tariff applicable for the normal period, irrespective of the time of use.

iii. ToD tariff for tariff categories of LV-1, LV-2, LV-5, LV-6 and LV-7 category shall be applicable with effect from **01st September 2025**, only after installation of Smart Meter.

1.1.10 The ToD tariff shall be implemented for the consumers from the next billing cycle after installation of Smart Meters.

1.1.11 Consumers availing temporary power supply shall not be billed under ToD tariff.

1.1.12 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 85% 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.

1.1.13 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.

1.1.14 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.

2. For Demand Based tariff consumers

i. Consumers availing supply at demand-based tariff (LV-2.2/LV-4.2/LV-5/LV-7) 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/LV-7) shall apply only to the extent of the contract demand and corresponding units of energy. The demand in excess of contract demand and corresponding units of energy shall be treated as excess supply. The excess supply so availed in any month, shall be charged at the rate of one and half times of the normal tariff applicable to the consumer (fixed and energy charges and FPPAS) for the excess demand to the extent of 20% of contract demand and at the rate of two times of normal tariff if the excess demand is found beyond 20% of contract demand.

ii. For the purpose of billing of excess supply, the billing demand and the units of energy shall be determined as under:

a) Billing Demand: The demand in excess of the contract demand in any month shall be the billing demand.

b) Units of Energy: the units of energy corresponding to kW portion of the demand in excess of the contract demand shall be:-

EU= TU (1-CD/MD)

Where

EU – denotes excess units,

TU – denotes total units supplied during the month,

CD – denotes contract demand, and

MD – denotes actual maximum demand.

I. The excess supply availed in any month shall be charged along with the monthly bill and shall be payable accordingly.

II. The above billing of excess supply at one and half times/two times of the normal tariff shall be applicable to consumers without prejudice to CSPDCL’s right to discontinue supply in accordance with the provisions contained in the Chhattisgarh State Electricity Supply Code, 2011, as amended from time to time.

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. Rebate for consumers with Pre-paid meter

LV consumers with Smart Meters and being billed on prepaid mode shall be eligible for rebate of 1.5% on energy charge (excluding FPPAS).

5. 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.

6. Advance Payment Rebate

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 1.25% 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. Fuel and Power Purchase Adjustment Surcharge (FPPAS)

FPPAS shall be levied on the energy charges on all the LV categories including temporary supply. The FPPAS amount for CSPDCL shall be determined on monthly basis.
Unless intimated otherwise by the Commission, FPPAS shall be computed and charged by CSPDCL, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Transmission Charges for the power procured during the n^{th} month. The percentage and the amount of the FPPAS shall be shown separately in the consumers' bills. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year.

As the revised tariff for FY 2025-26 is being implemented with effect from 1st July 2025, the base rate for computation of FPPAS for the month of April, May and June 2025 shall be as approved in the Tariff Order for FY 2024-25, whereas the base rate for computation of FPPAS for the month of July 2025 shall be as approved in the Tariff Order for FY 2025-26.

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.

12. 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.

13. 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.

1.2 Tariff Schedule for High Voltage (HV) Consumers

1.2.1 HV-1: Railway Traction

Applicability:

This tariff is applicable to the Railways for traction loads only.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
Railway Traction on 132 kV / 220 kV	375	5.55

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. Other terms and condition shall be as mentioned in the general terms and conditions of HV tariff.

1.2.2 HV-2: Mines

Applicability

This tariff is applicable to all types of mines, mines with stone crusher unit, coal mines, coal washery/beneficiation, iron washery/beneficiation, 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	6.95
132 kV supply	500	7.10
33 kV supply	500	7.50
11 kV supply	500	7.80

1.2.3 HV-3: Other Industrial and General Purpose Non-Industrial

Applicability

1. This tariff is applicable to all types of industries including cement industries and industries not covered under HV-1, HV-2 and HV-4 for power, lights, fans, cooling ventilation, etc., which shall mean and include all energy consumption in factory, and consumption for residential and general use therein including offices, stores, canteen compound lighting, etc.
2. This tariff is also applicable for bulk supply at one point to establishment such as Railways (other than traction), hospitals, offices, hotels, bakery, shopping malls, 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 also applicable for standalone stone crusher, mixer, mixer with stone crushers and Biomass briquettes manufacturing units.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
220 kV supply	375	6.65
132 kV supply	375	6.80
33 kV supply (Load factor >15%)	375	7.20
33 kV supply (Load factor <=15%)*	190	7.40
11 kV supply (Load Factor >15%)	375	7.60
11 kV supply (Load Factor <=15%)*	190	7.90

Notes:-

* This tariff shall be applicable only for retail consumers availing 100% supply from CSPDCL.

i. A discount of 10% 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.

ii. A discount of 15% on Energy Charges shall be applicable for defence establishments under Government of India.

iii. A discount of 5% on Energy Charges shall be applicable for Poha and Murmura mills.

1.2.4 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, 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	6.10
132 kV supply	375.00	6.25
33 kV supply (Load factor >15%)*	375.00	6.65
33 kV supply (Load factor <=15%)*	190.00	7.15
11 kV supply (Load Factor >15%)*	375.00	6.75
11 kV supply (Load Factor <=15%)*	190.00	7.55

Notes:-

*The applicable Load Factor limit for 33 kV and 11 kV supply for exclusive Rolling mills consumers shall be 35%.

The consumers located in "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) and at above voltage level of 132 kV shall be provided a special rebate of 10% on energy charge rate, while the rebate for such consumers at voltage level of 132 kV and below shall be provided a special rebate of 5% on energy charge rate.

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
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

Monthly Load Factor (LF)	Rebate
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:

Provided also that the Load Factor Rebate shall not be applicable on the FPPAS component of Energy Charges:

Provided also that the Load Factor Rebate shall not be payable on the excess energy consumed corresponding to exceeding contract demand for that billing month:

Provided also that the monthly Load Factor shall be rounded off to the lowest integer.

The licensee and consumers shall comply with all safety requirements specified under the applicable laws and amendments thereof from time to time.

1.2.5 HV-5: Irrigation & Agriculture Allied Activities, Public Water Works

Applicability

1. This tariff shall be applicable for pump connections of Chhattisgarh State Housing Board, agriculture pump connections, irrigation pumps of lift irrigation schemes of State Government or its agencies/co-operative societies, including colonies developed and energy used for lighting pump houses.
2. This tariff is also applicable to the consumer availing supply at HV for the purpose of pump/tube well connections, other equipment for tree plantation,

fisheries, hatcheries, mushroom cultivation, poultry farms, dairy, cattle breeding farms, sericulture, tissue culture and aquaculture laboratories, and milk chilling plant for power, lights, fans, coolers, etc., which shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc., and residential use therein.

3. This tariff shall be applicable for public utility water supply schemes, sewerage treatment plants and sewage pumping installations run by P.H.E. Department, Local Bodies, Gram Panchayat or any organization made responsible by the Government to supply/maintain public water works/sewerage installation including energy used for lighting pump house.

Tariff:

Supply Voltage	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
Irrigation, Agriculture Allied Activities & Public Water Works	375	6.60

1.2.6 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	6.80

1.2.7 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	9.10

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 14 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. 14 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. 14 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.

1.2.8 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	4.95

1.2.9 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	5.05

Note:

Demand Charge is payable as monthly minimum charge, whether any energy is consumed during the month or not.

1.2.10 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.

1.2.11 HV-11: Electric Vehicle Charging Stations

Applicability

This tariff is applicable to electric charging stations for vehicles taking supply at HV voltage.

Tariff:

Category of Consumer	Demand Charge (Rs./kVA/month)	Energy Charge (Rs. per kVAh)
HV-11: Electric Vehicle Charging stations	Nil	6.32

1.2.12 Time of Day Tariff

This tariff is applicable to HV-2, HV-3, HV-4, HV-5, HV-6, HV-8, HV-9 and HV-11 tariff category. Under the Time of Day (TOD) Tariff, electricity consumption in respect of HV industries for different periods of the day, i.e., Normal period, peak load period, and Off-peak load period (Solar Hours), shall be recorded by installing a TOD/Smart meter. Consumption recorded in different periods shall be billed at the following rates on the tariff applicable to the consumer:

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

Applicability and Terms and Conditions of TOD tariff:

i. The terms and conditions of the applicable tariff (such as monthly tariff minimum charge, etc.) shall continue to apply to a consumer to whom TOD tariff is applicable.

ii. In case, the consumer exceeds the contract demand, the demand in excess and the corresponding energy shall be billed at one and half/two times (as per methodology specified in Para "Additional Charges for Exceeding Contract Demand" of the Terms and Conditions of HV Tariff) of the normal tariff applicable for the day time (i.e., 5.00 a.m. to 6.00 p.m.) irrespective of the time of use.

iii. ToD tariff for tariff categories of HV-5, HV-6, HV-8, HV-9 and HV-11 category shall be applicable with effect from 01st September 2025, for enabling CSPDCL to complete the preparatory work. CSPDCL should ensure that 100% of the ToD meters are re-programmed during this period of two months. In case, CSPDCL is able to achieve re-programming of 100% of the ToD meters in one (1) month's time after the issue of this Tariff Order, then the revised ToD tariff shall be implemented from the month of August 2025, under intimation to the Commission.

1.2.13 Terms and Conditions of HV Tariff

The maximum and minimum contract demand for different supply voltages is governed as per provisions of the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof. Presently, the minimum and maximum Contract Demand at respective supply voltage are as below except for independent distributed renewable energy system plants (IDRES) which will be governed by CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019:

Supply Voltage	Minimum	Maximum
230 Volts	-	5 kW*
440 Volts		Up to 200 HP or 150 kW
11 kV	60 kVA	500 kVA
33 kV	60 kVA	15000 kVA
132 kV	4000 kVA	40000 kVA
220 kV	15000 kVA	150000 kVA

* Agricultural/industrial and Non-DLF are excluded from these criteria and can be provided 3-phase connections for lower loads also

Deviation in Contract Demand, if any, in respect of the above provisions on account of technical reasons, may be permitted with the approval of the Commission and billing shall be done accordingly. The HV consumers having contract demand exceeding the maximum limit mentioned above for respective voltage of supply shall be billed as specified at Clause 7 of Terms and Conditions of HV Tariff.

1. Point of Supply

Power will be supplied to consumers ordinarily at a single point for the entire premises. In certain categories like coal mines, power may be supplied at more than one point on the request of consumer subject to technical feasibility. HV industrial consumers can avail separate LV supply as per Clause 4.40 of the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof, in the same premises.

2. Billing demand

The billing demand for any month shall be the maximum demand (in kVA) of the consumer recorded during the billing month or 85% 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 @ 1.25% 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 the purpose of billing of excess supply, the billing demand and the units of energy shall be determined as under:-

i. **Billing Demand / Contract Demand:**

The demand in excess of the Contract Demand in any month shall be the billing demand/Contract Demand of the excess supply.

ii. **Units Energy:**

The units of energy corresponding to kVA of the portion of the demand in excess of the contract demand shall be:

EU= TU (1-CD/MD)

Where

EU - denotes units corresponding to excess supply,

TU - denotes total units supplied during the month,

CD - denotes contract demand, and

MD - denotes maximum demand.

The excess supply availed in any month shall be charged along with the monthly bill and shall be payable by the consumer.

The billing of excess supply at one and half times/two times of the normal tariff applicable to consumer is without prejudice to CSPDCL's right to discontinue the supply in accordance with the provisions contained in the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof.

No rebates/incentive shall be payable on such excess supply.

10. Additional Charge

The HV consumers having Contract Demand exceeding the maximum limit as prescribed in Clause 1 of terms and conditions of HV tariff shall be levied additional charges at the rate of 5% on Energy Charges of the respective consumer category.

11. Meter Hire

Meter hire shall be charged as per the schedule of miscellaneous charges to all categories of HV consumers.

12. Tax or Duty

The tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law/State Government Rules in force. Such charges, if any, shall be payable by the consumer in addition to tariff charges.

13. Fuel and Power Purchase Adjustment Surcharge (FPPAS)

FPPAS shall be levied on the energy charges on all the HV categories including temporary supply. The FPPAS amount for CSPDCL shall be determined on monthly basis.

Unless intimated otherwise by the Commission, FPPAS shall be computed and charged by CSPDCL, in $(n+2)^{th}$ month, on the basis of actual variation, in cost of fuel and power purchase and Transmission Charges for the power procured during the n^{th} month. The percentage and the amount of the FPPAS shall be shown separately in the consumers' bills. For example, the fuel and power purchase adjustment surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year.

As the revised tariff for FY 2025-26 is being implemented with effect from 1st July 2025, the base rate for computation of FPPAS for the month of April, May and June 2025 shall be as approved in the Tariff Order for FY 2024-25, whereas the base rate for computation of FPPAS for the month of July 2025 shall be as approved in the Tariff Order for FY 2025-26.

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 15 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.

1.3 Open Access Charges including Renewable Energy transactions

1. Transmission Charges

The long-term and medium-term open access customers including CSPDCL shall be required to pay the Annual Transmission Charges approved by the Commission. Bills shall be raised for Transmission Charge on monthly basis by the STU (CSPTCL), and payments shall be made by the beneficiaries and long-term and medium-term open access customers directly to the CSPTCL. These monthly charges shall be shared by the long-term open access customers and medium-term open access customers as per allotted capacity proportionately. The monthly transmission charge is Rs. 112.17 Crore.

For short-term open access customer: Rs. 344.50 per MWh (or Rs. 0.3445 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.

The Transmission Charges applicable for long-term/medium-term Open Access transactions involving Solar Energy shall be 33% of the above stipulated Transmission Charges.

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 connected at 33 kV: Rs. 297.90 per MWh (or Rs. 0.2979 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.

For long-term, medium-term and short-term open access customer connected below 33 kV: Rs. 851.30 per MWh (or Rs. 0.8513 per kWh)

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 connected at 33 kV/11 kV.

Distribution Losses of 10% for the energy scheduled for distribution at the point or points of injection below 33 kV shall be recoverable from open access customers connected at LV voltages.

Energy losses for using both the transmission system of CSPTCL and distribution system of CSPDCL or Combination thereof shall be 6% up to 33 kV.

Energy losses for using both the transmission system of CSPTCL and distribution system of CSPDCL or Combination thereof shall be 10% below 33 kV.

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 & above consumers: Rs. 1.33 per kWh;

ii. For 132 kV consumers: Rs. 0.94 per kWh;

iii. For 33 kV consumers: Rs. 1.40 per kWh;

iv. For 11 kV consumers: Rs. 1.40 per kWh;

v. For LT consumers: Rs. 1.27 per kWh

In case a generating company is an open access customer and is supplying power to a consumer of the State, the liability of paying cross-subsidy surcharge shall be on the consumer. If a captive generating plant avails open access for supplying power to its captive users, and if the captive users do not fulfil the requirement of captive users in a financial year as prescribed in the Electricity Rules, 2005, then that end user/s shall be liable to pay the Cross-Subsidy Surcharge.

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. 10.53 per kWh (1.5 times of the average billing rate of Rs.7.02 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.14.04 per kWh (2 times of the average billing rate of Rs. 7.02 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.

1.4 Green Energy Charges

a) For consumers who wish to procure RE Power for the purpose of reducing their carbon footprint and seeking Certification to this effect for FY 2024-25: Rs. 0.50/kWh.

b) For Consumers availing Green Energy from Distribution Licensee:

Source of RE	Wind	Hydro	Others
Green Energy Charges (Rs/kWh)	0.24	4.43	2.03

The Green Energy Charges shall be over and above the existing fixed and energy charges applicable for different categories of consumers. Also, in addition to above Green Energy Charges, Demand Charges/Fixed Charges or any other charges as being approved by the Commission in this Order shall also be applicable to the respective categories of consumer.

16 DIRECTIVES FY 2025-26

Common Directives

1. **Promoting Use of Electric Vehicles**
   The State Power Companies are directed to switch over to Electric Vehicles for their official commutation. All new official and contract vehicles should necessarily be Electric Vehicles.

2. **Installation of Solar Panels**
   The State Power Companies are directed to install solar panels at the roof of their respective office buildings and open land in plants and colonies.

3. **Providing uninterrupted power supply to HV Consumers**
   Observation

   During the hearing, High Voltage (HV) Consumers have submitted that despite being connected to HV, they are facing interruption in power supply.

   Directive

   In view of the above observation, CSPDCL/CSPTCL are directed to ensure uninterrupted power supply to HV consumers except during forced majeure condition like grid failure, natural calamity, etc.

Directive to CSPDCL

1. **Monitoring of Reduction in Distribution Losses**

   Observation

   To reduce energy loss in the distribution system, Division-wise Distribution Loss target is required to be fixed along with the regular monitoring of the achievement of the same.

   Directive
   The Commission directs CSPDCL to submit Division-wise quarterly distribution loss reduction trajectory for FY 2025-26 by 30 September 2025 and submit quarterly progress report for the same.

2. **Distribution Transformer (DT) Metering**

   Observation

   In quarterly compliance report in relation to distribution transformer (DT) metering, CSPDCL submitted that it has agreed for 100% DT metering under RDSS by 2026.

Directive

CSPDCL is directed to submit quarterly progress report of DT metering indicating achievement vis-a-vis target for that quarter. CSPDCL is also directed to ensure timely reading and proper functioning of DT meters.

3. **Separation of Agriculture Feeders**

Observation

In agreement entered for RDSS, CSPDCL has agreed for separation of 1067 nos. of agriculture feeders by 2026.

Directive

In this regard, the Commission directs CSPDCL to strictly adhere to the plan and target agreed under RDSS and submit quarterly progress report.

4. **Agriculture Metering**

Observations

In compliance to the directive given by the Commission to ensure 100% metering of agricultural connections, CSPDCL submitted that the meters, which are taken out of system, after installation of smart meters, shall be utilised in agriculture connections which are in working condition and within guarantee period.

Directive

As regards above observation, CSPDCL is directed to submit quarterly progress report of utilisation electronic meters in agricultural connections. CSPDCL is also directed to ensure that agriculture meters are read in a timely manner.

5. **Issue of Agriculture Connection**

Observation

During hearing, farmers have brought to the attention of the Commission that CSPDCL is issuing new agriculture connections under flat-rate tariff without giving option of choosing between flat-rate tariff/metered tariff.

Directive

CSPDCL is directed to give options to the farmers to choose between flat-rate tariff/ metered tariff.

6. **Burnt/Defective Meters**

Observation

In the Tariff Order for FY 2024-25, the Commission had directed CSPDCL to submit an action plan to curb the large number of burnt/defective energy meters by 30th June 2024 and submit the quarterly status report for the same. In response, CSPDCL submitted an action plan indicating monthly target for meter replacement in each division.

Directive

As regards the above observation, CSPDCL is directed to submit an action plan for FY 2025-26 by 30th September, 2025 to curb the large number of burnt/defective energy meters and submit the quarterly progress report for the same.

7. **Issue of Assessed Bills**

Observation

It is observed that CSPDCL is issuing large number of assessed bills every month.

Directive

In view of the above observation, CSPDCL is directed to submit a plan for time-bound reduction in assessed bills and submit quarterly progress report for the same.

8. **Reconciliation of agricultural consumption**

Observation

From examination of information submitted by CSPDCL, it is observed that load factor of agriculture consumers is very high.

Directive

In view of the above observation, CSPDCL is directed to reconcile the agriculture consumption with consumption recorded in respective agriculture feeders.

9. **Implementation of ToD Tariff for consumers having load more than 10 kW**

Observation

In this Order, the Commission has implemented Time of Day tariff to all LT consumer categories (except agriculture) having load more than 10 kW. In this regard, the Commission has observed that installation of Smart Meters has not yet been accomplished.

Directive

In view of the above observation, CSPDCL is directed to replace meters of consumers having load more than 10 kW by 31.08.2025 with smart meters so as to implement ToD tariff to aforesaid consumers w.e.f 01.09.2025.

10. **Review of terms and conditions of work contract**

Observation

It is observed that many accidents have been reported in recent past due to poor workmanship of field staff.

Directive

In view of the above observation, CSPDCL is directed to review the terms and conditions of the work contract for supply of manpower in the field activities so that skilled and technically trained manpower are hired.

11. Prevention of accidents

Observation

A number of major fire accidents have occurred causing loss of equipment resulting in huge financial loss to the Company.

Directive

In view of the above observation, CSPDCL is directed to prepare and follow proper safety guidelines along with conducting timely safety audit and mock drills.

12. Redressal of Consumer Grievances

Observation

During hearing, many consumers have submitted that their grievances were not disposed in a timely manner or remain undisposed.

Directive

In view of the above observation, CSPDCL is directed to ensure that its officers at all levels should fix one hour in a week for redressal of consumer grievances.

13. Augmentation and strengthening of system

Observation

During hearing, farmers have submitted that CSPDCL expresses its inability to issue permanent connections stating transformers' and conductors' overload in the area of supply.

Directive

In view of the above observation, CSPDCL is directed to replace the existing transformers and conductors by the higher capacity transformers and conductors, wherever required on priority basis. CSPDCL is also directed to include such augmentation/strengthening in their Petition for approval of Capital Investment Plan. CSPDCL is further directed to carry out load balancing exercise periodically.

14. Maintaining Data related to Power purchase cost

Observation

During scrutiny of the information submitted by CSPDCL in relation to power purchase cost, difficulty is faced while reconciling the same with the power purchase cost mentioned in audited accounts.

Directive

In view of the above, CSPDCL is directed to maintain proper breakup of the power purchase cost, e.g., month-wise, plant-wise power purchase quantum, fixed charge, energy charge, FCA, arrears, etc., so that it can be reconciled with the audited accounts.

15. Optimisation of power purchase cost

Observation

Power purchase cost being considerable part of ARR, the Commission has felt necessity to regularly monitor the power purchase of CSPDCL.

Directive

In view of the above observation, CSPDCL is directed to submit quarterly power purchase report, for assisting the Commission to monitor the power purchase cost regularly.

16. Maintaining proper record of sales and revenue

Observation

During scrutiny of the information submitted by CSPDCL in relation to sales and revenue, difficulty is faced while reconciling the same with the revenue mentioned in audited accounts.

Directive

In view of the above, CSPDCL is directed to maintain proper breakup of category wise sales and revenue in SAP duly reconciled with R-15, which is further reconciled with the audited accounts.

17. Creation of specific Power Management Group (PMG)

Observation

It has been observed that inaccurate power management by CSPDCL has resulted into severe load shedding to different categories of consumers in recent past.

Directive

In view of the above, it is suggested that a specific Power Management Group (PMG) cell be formed for proper demand forecast, sale of surplus power at higher rate, power purchase at reasonable cost, etc.

ANNEXURE-I - List of persons who submitted written submissions

1.	Shri Sanjeev Jain, DGM (Legal & Regulatory), M/s. Bharti Airtel Limited, Indore (M.P.)
2.	Shri Suresh Kumar N., Terminal Manager, M/s. Indian Oil Adani Ventures Limited, Raipur (C.G.)
3.	Shri Prashant Kumar, Head, Power Sales and Regulatory, M/s. Bharat Aluminium Co. Ltd. Korba (C.G.)
4.	Shri Ashwin Garg, Urla Industries Association, Urla, Raipur (C.G.)
5.	Shri Ashok Kumar Agrawal, Director, M/s. Prime Ispat Limited, Pyarelal Agrawal Marg, Ramsagarpara, Raipur (C.G.)
6.	Shri Pankaj Agrawal, Director, M/s. Alankar Alloys Pvt. Ltd., Raipur (C.G.)
7.	M/s. Elevar Digital Infrastructure Pvt. Ltd. (ALTIUS)
8.	Shri D.P. Kochar, Director General, M/s. Cellular Operator Association of India (COAI), Delhi
9.	Shri. Manish Dhuppad, M/s. Chhattisgarh Mini Steel Plant Association, Samta Colony, Raipur (C.G.)
10.	Ms. Ritu Jain, Director, M/s. SRVS Solars Ltd., Raipur (C.G.)
11.	M/s. Central Cement Industries, Tilda, Raipur (C.G.)
12.	Shri Anand Kumar Meshram, CEO, M/s. Variate Group, Pune (M.H.)
13.	Shri Satya Narayan Sharma, Former Cabinet Minister, Govt. of Chhattisgarh
14.	Shri Sanjay Tripathi, President, Chhattisgarh Steel Re-Rollers Association, Ramsagar Para, Raipur (C.G.)
15.	M/s. API Ispat & Powertech (P) Ltd., Civil Lines Raipur (C.G.)
16.	Shri Kamlesh Kukreja, President, M/s. Poha Murmura Utpadak Mahasangh, Bhatapara (C.G.)
17.	Shri. Ashok Kumar Agrawal, President, M/s. Chhattisgarh Mini Steel Plant Association, Raipur (C.G.)
18.	M/s. Shri Khatushyam Minerals, Village – Baithalpur (C.G.)
19.	M/s. Chhaparia Minerals, Akaltara (C.G.)

20.	Shri Jaikumar Bajaj, Mandir Hasaud, Raipur (C.G.)
21.	Shri Jasbir Singh, M/s. Associated Mining Co., Bilaspur (C.G.)
22.	Shri Anil Agrawal, President, M/s. Power Intensive CPP Association, Samta Colony, Raipur (C.G.)
23.	Shri Sauraj Gautam, Director, M/s. Bilasa Advance Diagnostics, Katora Talab, Raipur (C.G.)
24.	Shri Pranit Gautam, Director, M/s. Bilasa Blood Centre, Shankar Nagar, Raipur (C.G.)
25.	Shri Suresh Raman, Director, M/s. Mahamaya Steel Industries Ltd., Urla Industrial Complex, Raipur (C.G.)
26.	Shri Ashish Shukla, Vice Present, M/s. Jaiswal Neco Industries Ltd., Siltara, Raipur (C.G.)
27.	M/s. Real Ispat & Power Ltd., Civil Lines, Raipur (C.G.)
28.	M/s. Hasdeo Minerals and Industries, Akaltara (C.G.)
29.	Shri Anand Khemka, M/s. Akaltara Minerals, Vyapar Vihar, Bilaspur (C.G.)
30.	Shri Pramod Tiwari, President, Shri Parag Badhe, General Secretary, Shri Shayam Jajodiya, Treasurer, M/s. Chhattisgarh Khanij Pattedar Mahasangh, Padmanabhpur, Durg (C.G.)
31.	Dr. Rakesh Gupta, President, Dr. Vikas Agrawal, Convenor, Shri Atul Sighaniya, General Secretary, M/s. Association of Healthcare Providers – India Chhattisgarh Chapter
32.	M/s. S.R. Enterprises Unit-II and others, Bhilai (C.G.)
33.	Shri. Vinod Kumar Agrawal, M/s. Shivali Udyog (I) Pvt. Ltd., Urla Industrial Complex, Raipur (C.G.)
34.	M/s. South East Central Railway, Bilaspur (C.G.)
35.	Shri Shiv Shankar Dani, President, M/s. Chhattisgarh Printer Association, Raipur (C.G.)
36.	Shri Pankaj Lahoti, Director, M/s. Wallfort Properties Pvt. Ltd., Fafadih Chowk, Raipur (C.G.)
37.	Shri Pankaj Lahoti, President, M/s. CREDAI Chhattisgarh, Mahaveer Nagar, Raipur (C.G.)
38.	Shri S.G. Oak, General Secretary, Chhattisgarh State Retired Power Engineers

	Officers Association, Raipur (C.G.)
39.	Shri Ajay Dubey, Director, M/s. Hira Ferro Alloys, Urla Industrial Complex, Raipur (C.G.)
40.	Shri Mahesh Kumar Agrawal, Secretary General, M/s. Chhattisgarh Ferro Alloys Producers' Association, Urla Industrial Area, Raipur (C.G.)
41.	M/s. Janta Rice Mill, Barela, Dist. Mungeli (C.G.)
42.	Shri Bahadur Ali, Managing Director, ABIS Export (India) pvt. Ltd.
43.	Shri Danish, M/s. Haji Parboiling, Mungeli (C.G.)
44.	Ms. Afrin Bano, M/s. Haji Rice Mill, Dharampura, Mungeli (C.G.)
45.	M/s. Upleta Traders, Dharampura, Mungeli (C.G.)
46.	Shri Sudipta K. Sahoo, DGM (Electrical), M/s. NMDC Nagarnar, Jagadalpur (C.G.)
47.	Director, M/s. Pragati Ingots, Raipur (C.G.)
48.	Shri Arun Kumar Devangan, Chhattisgarh Vidhut Sewanivritt Karmchari-Adhikari Sangh (Mahasangh), Raipur (C.G.)
49.	M/s. Savitri Rice Product, Janjgir-Champa, Raipur (C.G.)
50.	Shri Virendra Singh Lohan, State President, Chhattisgarh Yuva Pragatisheel Kisan Sangh, Durg, (C.G.)
51.	Shri. Swapan Kumar Khan, Raipur (C.G.)
52.	Shri. Mohan Anty, Raipur (C.G.)
53.	M/s. Guru Kripa Metals & Minerals, Durg (C.G.)
54.	M/s. Ganapati Ispat Industrial complex, Urla, Raipur (C.G.)
55.	M/s. S.R. Enterprises, Bhilai, Raipur (C.G.)
56.	M/s. Ohm Navakar Agro Foods, Balod (C.G.)
57.	M/s. V.K. Minerals, Durg (C.G.)
58.	Shri Sudhir Nayak, General Secretary, Chhattisgarh Rajya Viduya Mandal Pensioners Association, Raipur (C.G.)

ANNEXURE-II - List of persons who submitted comments during hearing

1.	Shri Vikas Upadhyay (Ex-MLA), Raipur (C.G.)
2.	Shri Girish Dubey, Raipur (C.G.)
3.	Shri Rajkumar Gupta, Durg (C.G.)
4.	Shri Loknath Nayak, Saraipali (C.G.)
5.	Shri I.K. Verma, Durg (C.G.)
6.	Shri Raza Ahmed, Durg (C.G.)
7.	Shri Virendra Singh Lohan, Durg (C.G.)
8.	Shri Raj Kumar Bhargava
9.	Shri Surendra Shukla, Raipur
10.	Shri P.N. Singh, on behalf of Chhattisgarh Retired Engineers Officers Association, Raipur (C.G.)
11.	CG Printer Association, Raipur (C.G.)
12.	Shri Singhania, CG Healthcare Association, Raipur (C.G.)
13.	M/s Hasdev Mineral, (C.G.)
14.	Shri Vijay Kumar Agarwal
15.	Shri Mohan Anty, Raipur Raipur (C.G.)
16.	Shri Sanjay Choudhari
17.	Shri Arun Podhar, CG Solar Power Generator Association, Raipur (C.G.)
18.	Shri Batra, Green Energy Association
19.	Shri Shyam Kabra, on behalf of CG Mini Steel Plant Association, Raipur (C.G.)
20.	Shri Prashant Kumar, Head, Power Sales and Regulatory, M/s. Bharat Aluminium Co. Ltd. Korba (C.G.)
21.	Shri Ashwin Garg, Urla Industries Association, Urla, Raipur
22.	Shri Ashok Kumar Agrawal, Director, M/s. Prime Ispat Limited, Pyarelal Agrawal Marg, Ramsagarpara, Raipur (C.G.)

23.	Shri Pankaj Agrawal, Director, M/s. Alankar Alloys Pvt. Ltd., Raipur (C.G.)
24.	Shri. Manish Dhuppad, M/s. Chhattisgarh Mini Steel Plant Association, Samta Colony, Raipur (C.G.)
25.	Shri Rishi Agrawal M/s. Central Cement Industries, Tilda, Raipur (CG)
26.	Shri Sanjay Tripathi, President, Chhattisgarh Steel Re-Rollers Association, Ramsagar Para, Raipur (C.G.)
27.	Shri Ravi Mall, M/s. API Ispat & Powertech (P) Ltd., Civil Lines Raipur (C.G.)
28.	Shri Kamlesh Kukreja, President, M/s. Poha Murmura Utpadak Mahasangh, Bhatapara (C.G.)
29.	Shri. Ashok Kumar Agrawal, President, M/s. Chhattisgarh Mini Steel Plant Association, Raipur (C.G.)
30.	M/s. Shri Khatushyam Minerals, Village – Baithalpur (C.G.)
31.	M/s. Chhaparia Minerals, Akaltara (C.G.)
32.	Shri Jaikumar Bajaj, Mandir Hasaud, Raipur (C.G.)
33.	Shri Jasbir Singh, M/s. Associated Mining Co., Bilaspur (C.G.)
34.	Shri Anil Agrawal, President, M/s. Power Intensive CPP Association, Samta Colony, Raipur (C.G.)
35.	Shri Sauraj Gautam, Director, M/s. Bilasa Advance Diagnostics, Katora Talab, Raipur (C.G.)
36.	Shri Pranit Gautam, Director, M/s. Bilasa Blood Centre, Shankar Nagar, Raipur (C.G.)
37.	Shri Suresh Raman, Director, M/s. Mahamaya Steel Industries Ltd., Urla Industrial Complex, Raipur (C.G.)
38.	Shri Ashish Shukla, Vice Present, M/s. Jaiswal Neco Industries Ltd., Siltara, Raipur (C.G.)
39.	M/s. Real Ispat & Power Ltd., Civil Lines, Raipur (C.G.)
40.	M/s. Hasdeo Minerals and Industries, Akaltara (C.G.)
41.	Shri Anand Khemka, M/s. Akaltara Minerals, Vyapar Vihar, Bilaspur (C.G.)
42.	Shri Pramod Tiwari, President, Shri Parag Badhe, General Secretary, Shri Shayam Jajodiya, Treasurer, M/s. Chhattisgarh Khanij Pattedar Mahasangh, Padmanabhpur, Durg (C.G.)

43.	Dr. Rakesh Gupta, President, Dr. Vikas Agrawal, Convenor, Shri Atul Sighaniya, General Secretary, M/s. Association of Healthcare Providers – India Chhattisgarh Chapter
44.	M/s. S.R. Enterprises Unit-II and others, Bhilai (C.G.)
45.	Shri. Vinod Kumar Agrawal, M/s. Shivali Udyog (I) Pvt. Ltd., Urla Industrial Complex, Raipur (C.G.)
46.	M/s. South East Central Railway, Bilaspur (C.G.)
47.	Shri Shiv Shankar Dani, President, M/s. Chhattisgarh Printer Association, Raipur (C.G.)
48.	Shri Pankaj Lahoti, Director, M/s. Wallfort Properties Pvt. Ltd., Fafadih Chowk, Raipur (CG) and President, M/s. CREDAI Chhattisgarh, Mahaveer Nagar, Raipur (CG)
49.	Shri Ajay Dubey, Director, M/s. Hira Ferro Alloys, Urla Industrial Complex, Raipur (C.G.)
50.	Shri Mahesh Kumar Agrawal, Secretary General, M/s. Chhattisgarh Ferro Alloys Producers' Association, Urla Industrial Area, Raipur (C.G.)
51.	M/s. Janta Rice Mill, Barela, Dist. Mungeli (C.G.)
52.	Shri Danish, M/s. Haji Parboiling, Mungeli (C.G.)
53.	Ms. Afrin Bano, M/s. Haji Rice Mill, Dharampura, Mungeli (C.G.)
54.	M/s. Upleta Traders, Dharampura, Mungeli (C.G.)
55.	Shri Sudipta K. Sahoo, DGM (Electrical), M/s. NMDC Nagarnar, Jagadalpur (C.G.)
56.	Director, M/s. Pragati Ingots, Raipur (C.G.)
57.	Shri Arun Kumar Devangan, Chhattisgarh Vidhut Sewanivritt Karmchari-Adhikari Sangh (Mahasangh), Raipur (C.G.)
58.	M/s. Savitri Rice Product, Janjgir-Champa, Raipur (C.G.)
59.	Shri Virendra Singh Lohan, State President, Chhattisgarh Yuva Pragatisheel Kisan Sangh, Durg, (C.G.)
60.	Shri. Swapan Kumar Khan, Raipur (C.G.)
61.	Shri. Mohan Anty, Raipur (C.G.)
62.	M/s. Guru Kripa Metals & Minerals, Durg (C.G.)
63.	M/s. Ganapati Ispat Industrial complex, Urla, Raipur

64.	M/s. S.R. Enterprises, Bhilai, Raipur
65.	M/s. Ohm Navakar Agro Foods, Balod (C.G.)
66.	M/s. V.K. Minerals, Durg (C.G.)
67.	Shri Sudhir Nayak, General Secretary, Chhattisgarh Rajya Viduya Mandal Pensioners Association, Raipur (C.G.)

ANNEXURE-III - List of Members who attend the State Advisory Committee (SAC)

1.	Dr. Rohit Yadav, IAS, Secretary, Dept. of Energy, Mantralaya, Govt of Chhattisgarh, Naya Raipur (C.G.)
2.	Shri Bhim Singh Kawar, Managing Director, Chhattisgarh State Power Distribution Co. Ltd. Raipur (C.G.)
3.	Director, Chhattisgarh Renewable Energy Development Agency, Raipur (C.G.)
4.	Chief Electrical Distribution Engineer (CEDE), SECR, Bilaspur (C.G.)
5.	General Secretary, Urla Industries Association, Raipur (C.G.)
6.	Shri Saroj Pradan, New Rajendra Nagar Raipur (C.G.)
7.	Shri Amit Verma, Electrical Engineer Member, Grahak Panchyat, Raipur
8.	Dr. Shubhrata Gupta, Professor, Electrical Dept. National Institute of Technology, Raipur (C.G.)
9.	Shri Satyasiba Das, Professor, Indian Institute of Management, Raipur (C.G.)
10.	Dr. Deepak Sharma, HoD Genetic & Plant Breeding, Indira Gandi Krishi Vishvavidhyala, Raipur
11.	Shri Umesh Chitlangiya, President CII Chhattisgarh State Council, Raipur (C.G.)
12.	Vice President, Chhattisgarh Chamber of Commerence, Raipur
13.	Mr. Ketan Doshi, Dhamtari (C.G.)
14.	Mr. R.A. Pathak, Director, CSPDCL
15.	Mr. S.K. Gajpal, ED (RA & PM), CSPDCL
16.	Mr. S.K. Sharma, CE (PC & RA), CSPGCL

ANNEXURE-IV

FORMAT-I

Details/Information for Computation of Fuel Cost Adjustment(FCA)
Name of the Power Station : Hasdeo Thermal Power Station - HTPS

Legend	Description	Unit	Considered in Tariff order	For the Month of-----
a	Coal Quantity supplied by Coal Company	(MMT)		
b	Adjustment (+/-) in coal quantity	(MMT)		
c	Coal supplied by Coal Company (a+b)	(MMT)		
d	Normative Transit & Handling Losses	%	0.20%	0.20%
e	Norm. 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	1834.64	
k	Coal Sampling Fees (Loading + Receiving)	(Rs.)		
l	Coal sampling Rate (Loading + Receiving) {k/(fx10^6)}	Rs/MT	3.09	
m	Transportation Charge Rate	Rs/MT	95.07	95.07
n	Landed Price of Coal (j+l+m)	Rs./MT	1932.80	
o	Average GCV of coal as received	(kCal/Kg)	3544.47	
p	Normative SHR	Kcal/ kWh	2,650.00	2,650.00
q	Normative Specific Oil Consumption	ml/ KWh	0.80	0.80
r	GCV of Secondary Fuel (Oil)	Kcal/ml	10.00	10.00
s	Normative Auxiliary Consumption	%	9.70%	9.70
t	ECR of Coal for the Period= ((p-(qxr))/(o)*(n/1000)/(1-s)	Rs/ KWh		
u	ECR of Coal as considered in Tariff order	Rs/ KWh	1.595	
v	Change in ECR of Coal (t-u)	Rs/ KWh		
w	Scheduled Generation during the Period	KWh		
x	Fuel Cost Adjustment for the Period (vXw)	Rs		
y	Adjustment due to prior period FCA revision (revised FCA enclosed)	Rs		
z	Net FCA (x+y)	Rs		

Note-

1. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. For computed values formula have been indicated in the description column.
3. ECR to be worked out to third digit

FORMAT-I

Details/Information for Computation of Fuel Cost Adjustment(FCA)
Name of the Power Station : 1X500 MW Korba West Thermal Power Plant (KWTPP)

Legend	Description	Unit	Considered in Tariff order	For the Month of-----
a	Coal Quantity supplied by Coal Company	(MMT)		
b	Adjustment (+/-) in coal quantity	(MMT)		
c	Coal supplied by Coal Company (a+b)	(MMT)		
d	Normative Transit & Handling Losses	%	0.20%	0.20%
e	Norm. 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	1834.64	
k	Coal Sampling Fees (Loading + Receiving)	(Rs.)		
l	Coal sampling Rate (Loading + Receiving) {k/(fx10^6)}	Rs/MT	3.09	
m	Transportation Charge rate	Rs/MT	95.07	95.07
n	Landed Price of Coal (j+l+m)	Rs./MT	1932.80	
o	Average GCV of coal as received	(kCal/Kg)	3544.47	
p	Normative SHR	Kcal/ kWh	2,390.00	2,390.00
q	Normative Specific Oil Consumption	ml/ KWh	0.50	0.50
r	GCV of Secondary Fuel (Oil)	Kcal/ml	10.00	10.00
s	Normative Auxiliary Consumption	%	5.25%	5.25%
t	ECR of Coal for the Period= ((p-(qxr))/(o)*(n/1000)/(1-s)	Rs/ KWh		
u	ECR of Coal as considered in Tariff order	Rs/ KWh	1.373	
v	Change in ECR of Coal (t-u)	Rs/ KWh		
w	Scheduled Generation during the Period	KWh		
x	Fuel Cost Adjustment for the Period (vXw)	Rs		
y	Adjustment due to prior period FCA revision (revised FCA enclosed)	Rs		
z	Net FCA (x+y)	Rs		

Note-

1. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. For computed values formula have been indicated in the description column.
3. ECR to be worked out to third digit

FORMAT-I

Details/Information for Computation of Fuel Cost Adjustment(FCA)

Name of the Power Station: DSPM TPS

Legend	Description	Unit	Considered in Tariff order	For the Month of----
a	Coal Quantity supplied by Coal Company	(MMT)		
b	Adjustment (+/-) in coal quantity	(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	1,882.40	
k	Transportation Cost Paid to railways	Rs		
l	Transportation Charge paid to Railways (k/(fX10^6))	Rs/MT	315.31	
m	Other Charges (per Ton) towards transportation	Rs/MT	34.53	34.53
n	Coal Sampling Fees (Loading + Receiving)	(Rs.)		
o	Coal sampling Rate (Loading + Receiving) {n / (fx10^6)}	Rs/MT	4.03	
p	Landed Price of Coal (j+l+m+o)	Rs./MT	2,236.27	
q	Average GCV of coal as received	(kCal/Kg)	3,387.78	
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	1.759	
x	Change in ECR Coal (v-w)	Rs/ KWh		
y	Scheduled Generation during the Period	Kwh		
z	Fuel Cost Adjustment for the Period (xXy)	Rs		
aa	Adjustment due to prior period FCA revision (revised FCA enclosed)	Rs		
ab	Net FCA (z+aa)	Rs		

Note-

1. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. For computed values formula have been indicated in the description column.
3. ECR to be worked out to third digit.
4. In case of coal from GP III mine, a separate sheet to be worked out for such coal in the format prescribed for ABVTPS. The net FCA shall be on aggregate basis.

FORMAT-I

Details/Information for Computation of Fuel Cost Adjustment(FCA)

Name of the Power Station : ABVTPS

Legend	Description	Unit	Considered in Tariff order	For the Month of-----
a	Input Price of Coal at Mine End	Rs/MT	1550.02	1550.02
b	Norm. Transit & Handling Losses for GP III Coal	%	0.998%	0.998%
c	Rate of GP III Coal for the period (a /(1-b))	Rs/MT	1565.65	1565.65
d	Net Coal transferred from GP III Mine	(MMT)		
e	Transportation charge rate for GP III coal	Rs/MT	1045.95	
f	Coal supplied by SECL	MMT		
g	Norm. Transit & Handling Losses for SECL Coal	%	0.80%	0.80%
h	Net Coal supply by SECL (f x (1-g))	MMT		
i	Net Amount Charged by SECL	Rs		
j	Rate of SECL Coal for the period {i /(hx10^6)}	Rs/MT	2443.53	
k	Transportation Cost to railways for SECL Coal	Rs		
l	Transportation rate for SECL Coal {k/(hx10^6)}	Rs/MT	478.47	
m	Total Coal Sampling Fees (Loading + Receiving)	(Rs.)		
n	Coal sampling Rate (Loading+ Receiving) [m/{(d+h)x10^6}]	Rs/MT	3.90	
o	Other charges of Coal Transport	Rs/MT	5.57	5.57
p	Total landed Cost of GP III Coal (c+e+n+o)	Rs/MT	2,621.06	
q	Total landed Cost of SECL Coal (j+l+n+o)	Rs/MT	2,931.46	
r	Weighted Average rate of Coal	Rs/ MT	2686.51	
s	Wtd Avg. GCV of coal as received	(kCal/Kg)	3503.57	
t	Normative SHR	Kcal/Kwh	2,390.00	2,390.00
u	Normative Specific Oil Consumption	ml/ KWh	0.50	0.50
v	GCV of Secondary Fuel (Oil)	Kcal/ml	10.00	10.00
w	Normative Auxiliary Consumption	%	5.25%	5.25%
x	Coal ECR = ((t-(uxv))/(s)*(r/1000)/(1-w)	Rs/ KWh		
y	Coal ECR as considered in Tariff order	Rs/ KWh	1.930	
z	Change in ECR Coal (x-y)	Rs/ KWh		
aa	Scheduled Generation during the Period	Kwh		
ab	Fuel Cost Adjustment for the Period (zXaa)	Rs		
ac	Adjustment due to prior period FCA revision (revised FCA enclosed)	Rs		
ad	Net FCA (ab+ac)	Rs		

Note-

1. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. For computed values formula have been indicated in the description column.
3. ECR to be worked out to third digit.

FORMAT-I (a)

Coal from GP III Mine (Through Robertson siding)

Legend	Description	Unit	As per T.O.	For the Month of---
a	Quantity of Coal transferred by railway	MMT		
b	Transportation Cost Paid to railways	Rs		
c	Road Transportation rate (inclusive of PV& GST)	Rs/MT		

FORMAT-I (b)

Coal from GP III Mine (Through Gharghoda siding)

Legend	Description	Unit	As per T.O.	For the Month of---
a	Quantity of Coal transferred by railway	MMT		
b	Transportation Cost Paid to railways	Rs		
c	Road Transportation rate (inclusive of PV& GST)	Rs/MT		

FORMAT-I (C)

Coal from GP III Mine (Aggregate basis = Gharghoda + Robertson)

Legend	Description	Unit	As per T.O.	For the Month of---
a	Total Quantity of Coal transferred by railway	MMT		
b	Normative Transit Loss for GP III Coal	%	0.998%	0.998%
c	Net Coal Transferred from GP III Mine (a x (1-b))	MMT		
d	Transportation Cost Paid to railways	Rs		
e	Transportation rate paid to Railways {d /(cx10^6)}	Rs/MT		
f	Wtd Avg. Road Transportation rate (inclusive of PV& GST)	Rs/MT		
g	Total Transportation rate for GPIII Coal (e+f)	Rs/MT	1045.95	

Note-

1. Adjustment towards all other parameters shall be taken care of at the time of True Up.
2. For computed values formula have been indicated in the particulars column.

ANNEXURE-V - Revenue from Sale of Electricity at Approved Tariffs for CSPDCL for FY 2025-26

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) Total	Consumer Details: Number of consumer FY 2025-26	Load FY 2025-26	Revenue Billed (Rs Crores): Fixed/Demand Charge (Rs Cr)	Energy Charge Total	Total Revenue	ABR (Paisa/kWh)
A	**LV**						**20,199.02**	**66,05,999**	**9,301.00**	**936.51**	**12,434.61**	**13,371.12**	**662**
1	**Domestic Including BPL Consumers**	**LV 1**					**7,132.08**	**51,29,429**	**4,370.00**	**132.69**	**3,826.95**	**3,959.64**	**555**
i	*0-100*		*30.00*	*Rs/kW/Month*	*4.10*	*Rs/kWh*	*2,017.79*	*34,74,898*	*1,661.00*	*59.80*	*827.29*	*887.09*	*440*
ii	*101-200*		*30.00*	*Rs/kW/Month*	*4.20*	*Rs/kWh*	*1,544.93*	*9,21,110*	*871.00*	*31.36*	*648.87*	*680.23*	*440*
iii	*201-400*		*30.00*	*Rs/kW/Month*	*5.60*	*Rs/kWh*	*1,796.11*	*5,45,157*	*1,006.00*	*36.22*	*1,005.82*	*1,042.04*	*580*
iv	*401-600*		*30.00*	*Rs/kW/Month*	*6.60*	*Rs/kWh*	*746.06*	*1,23,696*	*406.00*	*2.24*	*492.40*	*494.64*	*663*
v	600 AND ABOVE		*30.00*	*Rs/kW/Month*	*8.30*	*Rs/kWh*	*1,027.19*	*64,568*	*426.00*	*3.08*	*852.56*	*855.65*	*833*
2	**Non Domestic Normal**	**LV 2.1**					**422.78**	**3,37,975**	**379.00**	**22.74**	**314.01**	**336.75**	**797**
i	*0-100*		*50.00*	*Rs/kW/Month*	*6.30*	*Rs/kWh*	*112.57*	*2,56,486*	*251.00*	*15.06*	*70.92*	*85.98*	*764*
ii	*101-400*		*50.00*	*Rs/kW/Month*	*7.30*	*Rs/kWh*	*191.41*	*71,735*	*101.00*	*6.06*	*139.73*	*145.79*	*762*
iii	*Above 400*		*50.00*	*Rs/kW/Month*	*8.70*	*Rs/kWh*	*118.81*	*9,754*	*27.00*	*1.62*	*103.36*	*104.98*	*884*
3	**Non Domestic Demand Based**	**LV 2.2**					**1,213.71**	**92,676**	**955.00**	**178.13**	**1,006.41**	**1,184.54**	*976*
	Upto 15 kW												
	0-400		120.00	Rs/kW/Month	7.30	Rs/kWh	*84.46*	48,314	264.00	38.02	*61.66*	*99.67*	*1180*
	Above 400		120.00	Rs/kW/Month	8.70	Rs/kWh	*590.77*	31,029	268.00	38.59	*513.97*	*552.56*	*935*
	Above 15 kW		200.00	Rs/kW/Month	8.00	Rs/kWh	*538.48*	13,333	423.00	101.52	*430.78*	*532.30*	*989*
4	**Agriculture**	**LV 3**					**6,768.03**	**5,96,428**	**1,508.00**	**242.67**	**3,925.46**	**4,168.13**	***616***
i	*Normal*		*100.00*	*Rs/HP/Month*	*5.80*	*Rs/kWh*	*6,768.03*	*5,96,428*	*1,508.00*	*242.67*	*3,925.46*	*4,168.13*	*616*
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**					**50.85**	**5,580**	**41.00**	**7.38**	**32.41**	**39.79**	**782**
i	*LV-4.1 (A): Up to 25 HP*	*4.1 A*	*100.00*	*Rs/HP/Month*	*5.80*	*Rs/kWh*	-			-	-	-	
ii	*LV-4.1 (B):Above 25 HP up to 150 HP*	*4.1 B*	*110.00*	*Rs/HP/Month*	*6.35*	*Rs/kWh*	*45.03*	*5,534*	*39.00*	*6.90*	*28.60*	*35.50*	*788*
iii	*LV-4.2: Demand based tariff for Contract Demand of 15 to 112.5 kW*	*4.2*	*200.00*	*Rs/kW/Month*	*6.55*	*Rs/kWh*	*5.82*	*46*	*2.00*	*0.48*	*3.81*	*4.29*	*738*
											-	-	

Sr.No	Category/Slab	Classification	Demand/Fixed Charge (Rs/kW/kWH/HP/kVA/Month)		Energy Charge (Rs/kWh/kVAh)		Sales (MUs) Total	Consumer Details: Number of consumer FY 2025-26	Load FY 2025-26	Revenue Billed (Rs Crores): Fixed/Demand Charge (Rs Cr)	Revenue Billed (Rs Crores): Energy Charge Total	Total Revenue	ABR (Paisa/kWh)
	Projected Revenue from Sale of Power to Retail Consumers at Exsiting Tariff												
A	**LV**						**20,199.02**	**66,05,999**	**9,301.00**	**936.51**	**12,434.61**	**13,371.12**	**662**
6	**Industry**	**LV 5**					***824.91***	**40,676**	**1,052.00**	**170.59**	**546.84**	**717.43**	**870**
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*	*5.05*	*Rs/kWh*	*53.35*	*14,364*	*112.00*	*10.75*	*26.94*	*37.69*	*707*
a)	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*80.00*	*Rs/kW/Month*	*4.55*	*Rs/kWh*	-	*4,699*	*38.00*	*3.65*			
ii	*Other Industries*	*5.2*					*771.57*	*21,613*	*902.00*	-	*519.90*	*666.06*	*863*
a	*upto 25 HP*	*5.2.1*	*120.00*	*Rs/kW/Month*	*6.05*	*Rs/kWh*	*63.52*	*9,050*	*110.00*	*15.84*	*38.43*	*54.27*	*854*
a	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*100.00*	*Rs/kW/Month*	*5.05*	*Rs/kWh*	-	*1,397*	*16.00*	*1.92*			
iii	*Above 25 HP up to 150 HP*	*5.2.2*	*150.00*	*Rs/kW/Month*	*6.80*	*Rs/kWh*	*708.05*	*10,381*	*724.00*	*130.32*	*481.47*	*611.79*	*864*
a	*Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran**	*a*	*130.00*	*Rs/kW/Month*	*6.30*	*Rs/kWh*	-	*786*	*52.00*	*8.11*	-	*8.11*	
7	**Public Utilties**	**LV 6**	**142.00**	**Rs/HP/Month**	**7.35**	**Rs/kWh**	***1,208.46***	**65,015**	**243.00**	**55.53**	**888.22**	**943.74**	***781***
8	**IT Industries**	**LV 7**	**150.00**	*Rs/kW/Month*	**6.05**	**Rs/kWh**	*0.55*	**11**	**1.00**	**0.18**	**0.33**	**0.51**	***931***
9	**Temporary**	**LV 8**					***2,577.65***	**3,38,209**	**752.00**	**126.60**	**1,893.99**	**2,020.59**	**784**
i	*Domestic*		*0.23*	*Rs/kWh*	*6.71*	*Rs/kWh*	*84.69*	*56,421*	*70.00*	*1.97*	*56.81*	*58.78*	*694*
ii	*Non- Domestic*		*62.50*	*Rs/kW/Month*	*9.13*	*Rs/kWh*	*83.17*	*21,819*	*60.00*	*4.50*	*75.89*	*80.39*	*967*
iii	*Agriculture Metered*		*100.00*	*Rs/HP/Month*	*5.80*	*Rs/kWh*	*1,437.52*	*1,67,010*	*432.00*	*69.52*	*833.76*	*903.28*	*628*
iv	*Agriculture Allied Activities*		*165.00*	*Rs/HP/Month*	*9.53*	*Rs/kWh*	*959.85*	*91,416*	*186.00*	*49.39*	*914.26*	*963.65*	*1004*
v	*Industry*		*120.00*	*Rs/HP/Month*	*7.58*	*Rs/kWh*	*0.89*	*172*	*1.00*	*0.19*	*0.68*	*0.87*	
vi	*Other Industry*		*225.00*	*Rs/HP/Month*	*8.25*	*Rs/kWh*	*0.37*	*11*	-	-	*0.31*	*0.31*	*825*
vii	*Public Utilties*		*213.00*	*Rs/HP/Month*	*11.03*	*Rs/kWh*	*11.14*	*1,360*	*3.00*	*1.03*	*12.28*	*13.31*	*1195*

Sr.No	Category/Slab	Classification	Demand/Fixed Charge (Rs/kW/kWH/HP/kVA/Month)		Energy Charge (Rs/ kWh/kVAh)		Sales (MUs)	Consumer Details		Revenue Billed (Rs Crores)			ABR (Paisa/kWh)
							Total	Number of consumer FY 2025-26	Load FY 2025-26	Fixed/Demand Charge (Rs Cr)	Energy Charge Total	Total Revenue	
							Projected Revenue from Sale of Power to Retail Consumers at Exsiting Tariff						
B	**HV**						**16,309.76**	**4,251**	**5,011.00**	**1,720.41**	**10,549.27**	**12,269.69**	**752**
1	**Railway Traction (132/220 kV)**	**HV 1**	**375.00**	**Rs/kVA/Month**	**5.55**	**Rs/kVAh**	***1,495.15***	**30**	**527.00**	**177.86**	**922.01**	**1,099.87**	**736**
2	**Mines**	**HV 2**					***617.18***	**307**	**322.00**	**144.90**	**504.10**	**649.00**	**1052**
i	*220 kV*		*500.00*	*Rs/kVA/Month*	*6.95*	*Rs/kVAh*	*-*	*-*	*-*	*-*	*-*	*-*	
ii	*132 kV*		*500.00*	*Rs/kVA/Month*	*7.10*	*Rs/kVAh*	*205.93*	*5*	*94.00*	*42.30*	*161.20*	*203.50*	*988*
iii	*33 kV*		*500.00*	*Rs/kVA/Month*	*7.50*	*Rs/kVAh*	*389.20*	*201*	*201.00*	*90.45*	*324.15*	*414.60*	*1065*
iv	*11 kV*		*500.00*	*Rs/kVA/Month*	*7.80*	*Rs/kVAh*	*22.05*	*101*	*27.00*	*12.15*	*18.74*	*30.89*	*1401*
3	**Other Industrial & General Purpose Non Industrial**	**HV 3**					***2,341.31***	**2,864**	**1,213.00**	**409.39**	**1,880.23**	**2,289.61**	**978**
i	*220 kV*		*375.00*	*Rs/kVA/Month*	*6.65*	*Rs/kVAh*	*37.65*	*1*	*24.00*	*8.10*	**26.46**	*34.56*	*918*
ii	*132 kV*		*375.00*	*Rs/kVA/Month*	*6.80*	*Rs/kVAh*	*192.77*	*23*	*175.00*	*59.06*	**143.83**	*202.89*	*1053*
iii	*33 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*7.20*	*Rs/kVAh*	*1,824.41*	*1,948*	*823.00*	*277.76*	**1,463.62**	*1,741.39*	*954*
iii	*33 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.40*	*Rs/kVAh*	*-*	*-*	*-*	*-*	**-**	*-*	
iv	*11 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*7.60*	*Rs/kVAh*	*286.49*	*892*	*191.00*	*64.46*	**246.31**	*310.78*	*1085*
iv	*11 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.90*	*Rs/kVAh*	*-*	*-*	*-*	*-*	**-**	*-*	
4	**Steel Industries**	**HV 4**					***11,340.95***	**627**	**2,731.00**	**921.71**	**6,858.69**	**7,780.41**	**686**
i	*220 kV*		*375.00*	*Rs/kVA/Month*	*6.10*	*Rs/kVAh*	*1,289.26*	*4*	*542.00*	*182.93*	**890.39**	*1,073.32*	*833*
ii	*132 kV*		*375.00*	*Rs/kVA/Month*	*6.25*	*Rs/kVAh*	*3,481.05*	*37*	*707.00*	*238.61*	**1,992.78**	*2,231.39*	*641*
iii	*33 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.65*	*Rs/kVAh*	*6,551.23*	*559*	*1,471.00*	*496.46*	**3,961.07**	*4,457.53*	*680*
iii	*33 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.15*	*Rs/kVAh*		*-*	*-*	*-*	**-**	*-*	
iv	*11 kV (Load Factor >15%)*		*375.00*	*Rs/kVA/Month*	*6.75*	*Rs/kVAh*	*19.41*	*27*	*11.00*	*3.71*	**14.45**	*18.16*	*936*
iv	*11 kV (load Factor <15%)*		*190.00*	*Rs/kVA/Month*	*7.55*	*Rs/kVAh*	*-*	*-*	*-*	*-*	**-**	*-*	*0*
5	**Irrigation & Agriculture Allied Activities, Public Water Works**	**HV 5**	**375.00**	**Rs/kVA/Month**	**6.60**	**Rs/kVAh**	***283.45***	**262**	**111.00**	**37.46**	**207.86**	**245.32**	**866**
								-	-				
6	**Residential**	**HV 6**	**375.00**	**Rs/kVA/Month**	**6.80**	**Rs/kVAh**	***185.37***	**87**	**78.00**	**26.33**	**140.06**	**166.38**	**898**
								-	-				
7	**Start Up Power (400/220/123/33/11 kV)**	**HV 7**	**200.00**	**Rs/kVA/Month**	**9.10**	**Rs/kVAh**	***10.85***	**33**	**12.00**	**2.16**	**10.97**	**13.13**	**1210**
								-	-				
8	**Industries related to manufacturing of equipment for power generation from renewable energy sources**	**HV 8**	**130.00**	**Rs/kVA/Month**	**4.95**	**Rs/kVAh**	***17.70***	**6**	**4.00**	**0.47**	**9.74**	**10.21**	**576**
								-	-				
9	**IT Industry**	**HV 9**	**150.00**	**-**	**5.05**	**Rs/kVAh**	***2.32***	**4**	**1.00**	**0.14**	**1.30**	**1.44**	**619**
									-				
10	**Temporary**	**HV 10**					**15.48**	**31**	**12.00**	**-**	**14.32**	**14.32**	**0**
C	**Total**						**36,508.79**	**66,10,250**	**14,312.00**	**2,656.92**	**22,983.89**	**25,640.81**	**702**