Chhattisgarh State Electricity Regulatory Commission

Raipur

Petition No. 50 of 2012(T)

Present: **Shri Manoj Dey , Chairman**

Shri Vinod Srivastva, Member

In the matter of –

1) Petition for Annual Revenue Requirement for the licensed transmission business for control period from FY 2013-14 to FY 2015-16 and Transmission charges for FY 2013-14

ORDER

(Passed on 12.07.2013)

This Order is passed in respect of the application filed by Jindal Steel & Power Limited for determination of Annual Revenue Requirement for its Licensed transmission business (hereinafter referred as JSPL-T) for Control Period from FY 2013-14 to FY 2015-16 and transmission charges for 2013-14 under Section 61, 62 and 86 (1) (a) of the Electricity Act, 2003, together with the relevant provisions of the Chhattisgarh State Electricity Regulatory Commission (Conduct of Business) Regulations, 2009 and 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, 2012.

In compliance to directives of the Commission, JSPL-T has submitted its MYT Petition for the Control Period FY 2013-14 to FY 2015-16 on 4th Dec 2012 in line with the new Tariff Regulations i.e. CSERC (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, 2012. The Commission admitted the MYT Petition on 11th Dec 2012.

In Order dated 30th Dec 2011 for ARR for FY 2011-12 of JSPL-T, the Commission had directed JSPL-T to file the Audited Segregated Accounts for transmission business along with the petition for FY 2012-13. Prior to filing MYT Petition for FY 13-14 to FY 15-16, JSPL-T had submitted ARR & Tariff Petition for FY 2012-13 on 12th July 2012 which was under process of disposal when the MYT Petition was filed. In the petition for ARR of FY 2012-13, JSPL-T had requested to allow additional one month time for submission of audited accounts for the transmission business. However, JSPL-T submitted the segregated accounts on October 15, 2012, a delay of approximately three months from the date of submission of FY 2012-13 ARR & Tariff petition. On examination of the accounts submitted by JSPL-T during processing of the FY 2012-13 Tariff Order, the Commission noted that the accounts prepared for the transmission business were barely extractions from the audited accounts of the parent company i.e. JSPL based on certain assumptions as provided by the company management. Further, the audited accounts submitted by the JSPL-T did not comply with the CSERC (License) Regulations, 2004. During the course of scrutiny of the petition for FY 2012-13, the Commission had faced various difficulties with respect to late submission of information/ clarifications by the licensee, no explanation with regard to the adequacy of the transmission system, submission of inappropriate audited accounts, discrepancies in the submissions, etc.

The Commission has faced similar challenges while processing the present MYT Petition as well. JSPL-T was unable to provide audited segregated accounts for any of the previous years. Therefore, the Commission had to continue with its prudence check and judgment as utilized in the Tariff Orders for FY 2011-12 and FY 2012-13. During the public hearing process, no objections was received by the Commission or the licensee with respect to the MYT Petition filed by the licensee for the Control Period FY 2013-14 to FY 2015-16.

One of the key aspects which the Commission has been deliberating in all its Orders is the adequacy and appropriateness of the transmission assets from the technical perspective has been ignored by the licensee. JSPL-T has also not been able to provide satisfactory response regarding the adequacy and the technical requirement of the assets created with respect to that of the demand/ load /energy flow into the system. Also, it is noticed that JSPL-T has not submitted any energy audit report backed with boundary meter downloads for substantiating the claim that the assets are dedicated for the licensed business only. Despite repeated persuasions; JSPL-T has failed to submit SCADA extracted metered data at every voltage crossover points for the complete transmission system. In the absence of such data, the Commission is of the view that the loading of the entire ARR on consumers of JSPL-D is not justified and has decided to continue with the asset base as approved in the last tariff order along with its asset-class wise break up.

In line with the provisions of the CSERC MYT Regulations 2012, the Commission has reviewed the submission of JSPL-T and has approved an ARR of Rs. 867.40 Lakhs, Rs. 889.63 Lakhs and Rs. 915.52 Lakhs for FY 2013-14, FY 2014-15 and FY 2015-16, respectively as against the ARR of Rs. 1216.72 Lakhs, Rs. 1235.35 Lakhs and Rs. 1258.03 Lakhs proposed by the JSPL for its licensed transmission business for FY 2013-14, FY 2014-15 and FY 2015-16, respectively

Similar to its submission in the FY 2012-13 petition, JSPL-T has submitted that there is only one consumer of the transmission network i.e. JSPL-D. However, JSPL-T has considered the approach followed by the Commission in the previous Tariff Order and has proposed to recover the ARR from JSPL-D in proportion of the capacity utilization during control period i.e. 25%.

In light of above facts, the Commission has considered 25% of the ARR of JSPL-T to be chargeable from JSPL-D and directs the JSPL-T to follow all steps mentioned in the CSERC (Details to be furnished by the licensees or generating company etc.) Regulations, 2004 to make this order effective.

Member Chairman

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List of Abbreviations

S.No.	Abbreviation	Description
1	A & G	Administration and General Expenses
2	ABC	Aerial Bunched Cables
3	ABR	Average Billing Rate
4	ARR	Aggregate Revenue Requirement
5	CAGR	Compound Annual Growth Rate
6	CERC	Central Electricity Regulatory Commission
7	CGS	Central Generating Station
8	COS	Cost of Supply
9	CPP	Captive Power Plant
10	CSD	Consumer Security Deposit
11	CSEB	Chhattisgarh State Electricity Board
12	CSERC	Chhattisgarh State Electricity Regulatory Commission
13	CSPDCL	Chhattisgarh State Power Distribution Company Limited
14	CGRF	Consumer Grievance Redressal Forum
15	DA	Dearness Allowance
16	EA	Electricity Act
18	ED	Electricity Duty
19	FY	Financial Year
20	GFA	Gross Fixed Assets
21	H1	First Half
22	H2	Second Half
23	HT	High Tension
24	HVDS	High Voltage Distribution System
25	JSPL-T	Jindal Steel and Power Limited Licensed Transmission business
26	JSPL-D	Jindal Steel and Power Limited Licensed Distribution business
27	kWh	Kilo-watt Hour
28	LT	Low Tension
29	MoU	Memorandum of Understanding
30	MU	Million Units
31	MW	Mega-watt
32	MYT	Multi-Year Tariff
33	O & M	Operation & Maintenance
34	R & M	Repair & Maintenance
35	RoE	Return on Equity
36	TO	Tariff Order
37	TP	Tariff Policy
38	TVS	Technical Validation Session
39	Y-O-Y	Year on Year

1 Introduction

1.1 The petitioner hereinafter referred as JSPL-T holds a license Transmission License for

a) 220 KV double circuit transmission line from JSPL to O.P. Jindal Industrial Park, Punjipatra (23.7 Kms) and
b) 220 KV double circuit transmission line from O.P. Jindal Industrial Park, Punjipatra to Jindal Power Limited (19.5 Kms).

1.2 JSPL-T had submitted its first Petition on May 31, 2010 for determination of Annual Revenue Requirement from FY 2007- 08 to FY 2010-11. The Commission passed its Order on December 30, 2011.

1.3 JSPL-T submitted its petition for True-up of FY 2010-11, True-up of FY 2011-12 and Determination of Annual Revenue Requirement and Tariff for FY 2012-13 on 12th July 2012. In absence of segregated audited accounts of transmission business for FY 2010-11, the Commission had not undertaken final truing up for the FY 2010-11.

1.4 Further, the segregated audited accounts for the transmission business for FY 2011-12 was submitted to the Commission on October 15, 2012 (approx. 3 months from the date of submission of the petition). On examination, it was observed that the segregated annual accounts submitted by the licensee were merely an extraction certificate and no opinion of the auditor’s was supplied along with the annual accounts. Therefore, the Commission did not find the accounts submitted by JSPL-T appropriate and took up provisional true-up for FY 2011-12.

1.5 In both the Orders i.e. FY 2011-12 & FY 2012-13, the Commission had noted that the transmission network of JSPL-T was not created for the sole purpose of serving the JSPL-D consumers and the assets of the transmission system are in excess of the requirement. JSPL-T was unable to provide adequate justifications for arriving at the capital cost of transmission system. The Petitioner proposed the full capital cost of the transmission system in the current petition based on accounts certified from statutory auditors for FY 2011-12. Therefore, in the Tariff Order for FY 2012-13, the Commission had viewed that the Auditors had primarily relied on the information provided by the JSPL management and the reasons discussed above. Therefore, the appropriateness of the proposed value/ physical capacities of the assets had again not been established by JSPL-T. In absence of any other information provided by JSPL-T, the Commission has decided to continue with the asset base approved in the Tariff Order for FY 2012-13 for the purpose of projections for the Control period.

1.6 The Commission in exercise of powers conferred under Section 61 and 62 read with Section 181(2) of the Electricity Act 2003 and all other powers enabling it in this behalf, 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, 2012 (hereinafter referred as MYT Regulations 2012) on 6th Oct 2012.

1.7 These Regulations are applicable to all Transmission licensees in the state for determination of tariff for the financial year 2013-14 to financial year 2015-16. As per Regulation 5.1 of CSERC MYT Regulations, 2012, the transmission licensee shall file MYT application for approval of the ARR for each year of the Control Period by 30th November 2012. The Commission shall process the MYT tariff filing of the applicants in accordance with these Regulations and the Conduct of Business Regulations 2009 as amended from time to time.

1.8 As per Regulation 8 of the CSERC MYT Regulations, 2012, *"Targets would be set by the Commission for the items that are controllable. Besides, trajectory for specific variables may be stipulated by the Commission where the performance of the applicant is sought to be improved upon through incentives and disincentives."* The following items are identified as controlled items for the transmission licensee as per Regulation 11 of the CSERC MYT Regulations:-

A) Transmission Losses
B) Operation and Maintenance expenses

The mechanism for sharing of aggregate net gain / loss on account of better/ under achievement in reference to the target set in this tariff order for efficiency linked controllable items shall be passed on to the beneficiary and the other one-half (or 50%) amount of gain/ loss shall be retained by the licensee.

1.9 The Commission, in exercise of the powers vested in it under Regulation 6 of CSERC (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, 2012; Section-12, 183 & 184 of Act; Section 61 and Section 62 of the Act and all other powers enabling it in this behalf, is the decision-taking authority in the matters related to ARR and Tariff determination of Licensee.

2 Brief Note on ARR Determination Process

2.1 In accordance with Regulation-5.2 of Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2012 (hereafter referred as "CSERC (MYT) Regulations, 2012"), transmission licensee shall make MYT application by 30th November 2012 for determination of ARR for the Control Period and the yearly petition for ensuing year shall be filed by 30th November of the current year for determination of ARR and tariff. All the filings by any applicant should be in conformity with the provisions of the together with the relevant provisions of the Chhattisgarh State Electricity Regulatory Commission's Conduct of Business Regulations and CSERC (Licence) Regulations, 2004, its amendment(s) and the conditions of license.

2.2 JSPL-T submitted the Petition for determination of ARR for control period i.e. FY 2013-14 to FY 2015-16 and determination of retail tariff for FY 2013-14 under the CSERC MYT Regulations 2012 on 4th December 2012. In order to avoid delay in the issuance of the MYT Order, the petition of JSPL-T was registered on 11th December 2012 as petition no 50/2012(T) and processed simultaneously with the FY 2012-13 petition.

2.3 CSERC Regulations 2012 provides for truing up for previous years. JSPL-T had proposed true-up for FY 2011-12 along with the ARR & Tariff Petition for FY 2012-13. In the previous petition, JSPL-T had claimed to have submitted the data for FY 2011-12 based on segregated annual financial accounts for FY 2011-12, duly certified by the Statutory Auditor, for the licensed transmission business. However, the Commission did not consider the accounts submitted by the Petitioner to be appropriate as it did not meet the requirements as prescribed in the CSERC (License) Regulations, 2004 & Company Act 1956. Therefore, the Commission undertook provisional true-up for FY 2011-12 in the previous Order and directed JSPL-T to file proper audited segregated accounts for FY 2011-12 as prescribed in the CSERC (License) Regulations 2004.

2.4 JSPL-T submitted draft public notice on the petition for approval on 25th Aug 2012 and the same was approved by the Commission on 14th Sep 2012. As per regulation 6.3 of the MYT regulations 2012 the applicant shall publish the summary of the proposal highlighting the salient features of the application, in at least three daily newspapers, two in Hindi and one in English, having wide circulation in its area of supply. Accordingly, the Commission asked JSPL-T to submit gist of its application which was submitted by JSPL-T on 4th January 2013. Post approval of the same by the commission on 18th January 2013, JSPL-T issued the Public Notice in newspapers inviting suggestions and objections from stakeholders on its petition which was published on 24th March 2013 in following Local Newspapers:

Table 1: List of Newspapers where pubic notices were published

S. No.	Name of Newspaper	Language	Publication Date	Page Number
1.	Amrit Sandesh	Hindi, Bilaspur	30.01.2013	6

S. No.	Name of Newspaper	Language	Publication Date	Page Number
2.	Central Chronicle	English, Raipur	30.01.2013	5
3.	Kelo Pravah	Hindi, Raigarh	30.01.2013	4

2.5 The copies of JSPL-T's Petition and its summary were made available for inspection/purchase to the public at the office of the Commission and JSPL-T. The copy of Public Notice and Executive Summary of the Petition was also uploaded on the website of the Commission (www.cserc.gov.in) in downloadable format. The Public Notice specified that the suggestions and objections, either in English or Hindi, may be submitted. JSPL-T informed the Commission on 27th Feb 2013 that no objections were received by it for the present petition. The Commission also didn't receive any objections with respect to the present petition file by the JSPL-T.

2.6 Additional information/ preliminary deficiencies were raised by the Commission on 4th March 2013 regarding the submission of clarification on petition filed. JSPL-T requested for additional time for submission of information till 25th March 2013. The Commission provided additional time to JSPL-T for furnishing all pending information till 25th March 2013. However, on 25th March 2013, JSPL-T again requested for additional time for submission of requisite information till 5th April, 2013. The Commission again allowed JSPL-T additional time to submit the desired information by 4th April 2013. However, the information was submitted by JSPL-T with further delay on 25th April 2013. Based on the analysis of the information submitted by the JSPL-T, the Commission sought additional information from JSPL-T. JSPL-T made the additional submission on 13th May 2013 with the Commission.

2.7 The Commission, to safeguard the due process as envisaged under law to ensure transparency and public participation is followed during the process punctiliously, held a public hearing in its office on 3rd April 2013 to give adequate opportunity to all the stakeholders concerned to express their opinion in the matter. The notice of public hearing was given in following newspapers.

Table 2: List of Newspapers where hearing notices were published

S. No.	Name of Newspaper	Language	Publication Date
1.	Dainik Bhaskar	Hindi, Bilaspur	24.03.2013
2.	Central Chronicle	English, Raipur	24.03.2013
3.	Kelo Pravah	Hindi, Raigarh	24.03.2013

2.8 The Commission conducted Technical Validation Sessions (TVS) on 26th June 2013 for ensuring that appropriate information is available with the Commission for processing the Petition and at the same time giving sufficient opportunity to JSPL-T to explain its stand on various complex issues. Based on the discussions during the TVS, the Commission also issued another deficiency note dated 27th June 2013 for submission of additional information by 5th July, 2013 for timely issuance of the Order. JSPL-T did not submit the information/ clarification by 5th July, 2013 and requested the

Commission vide letter dated 6th July, 2013 for extension by one week for submission of requisite information. In order to avoid any further delay in issuance of this Order, the Commission decided to consider the information received up to 5th July 2013.

2.9 As per Regulation 7.1 of the MYT Regulations, 2012, the Generating Company, Transmission Licensee, and Distribution Licensee shall file for approval of the Commission a capital investment plan by 31st October, 2012 and as per Regulation 7.2(b)ii of the MYT Regulations, 2012, the Transmission Licensee shall submit the power evacuation plan and system strengthening plan in respect of future load forecast by the distribution licensee. The capital investment plan should cover the entire Control Period, with details for each year of the Control Period. However, JSPL-T submitted in its petition that the JSPL-T does not plan to undertake any capital investment on the licensed assets for the Control Period except routine repairs and maintenance activities. Hence, JSPL-T didn't submit any capital investment plan for the control period from FY 2013-14 to FY 2015-16.

2.10 In this Order, the Commission has considered the most recent figures submitted by JSPL-T in its additional submissions/ clarifications to avoid any confusion.

3 Determination of Annual Revenue Requirement for FY 2013-14, FY 2014-15 & FY 2015-16

3.1 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 for calculation of Expected revenue from Tariff and charges) Regulations, 2012 for determination of the ARR based on the principles outlined in the said Regulation. JSPL-T has filed a petition for determination of its licensed transmission business for the period FY 2013-14 to FY 2015-16 in line with the same. This chapter contains details of the basis for determination of ARR for each year of the Control Period as filed by the JSPL-T and the analysis of the Commission on the various parameters of ARR for each year of the Control Period.

Transmission Loss

3.2 JSPL-T projected transmission loss of 0.15% for each year of the Control Period i.e. FY 2013-14 to FY 2015-16 in the Petition. The transmission loss along with the energy received into the system and energy transmitted from the system as submitted by JSPL-T in its Petition for FY 2013-14 to FY 2015-16 is tabulated below.

Table 3: Transmission Loss proposed by JSPL-T for the Control Period

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Energy received into the system	663.19	669.83	676.53
Energy transmitted from the system	662.22	668.85	675.55
Energy Lost	0.97	0.98	0.98
Loss in the system (in %)	0.15%	0.15%	0.15%

Commission's View

3.3 The Commission noted that as per CSERC Regulations 2012, transmission losses are controllable item and loss trajectory for STU is defined under the regulations. For other transmission licensee like JSPL-T, it is mentioned that transmission licensee would be provided in the MYT Tariff Order of the respective licensee.

3.4 The Commission also noted with concern that despite several directions/order JSPL-T has not submitted proper SCADA extracted meter readings at each cross over points. JSPL-T submitted some of the meter readings which are incomplete and no inference can be drawn through their submission. At the same time the Commission observes that the transmission losses of JSPL-T are well within the limits. Further, it is noted that the transmission losses in the previous years as submitted by the petitioner is 0.15%. Therefore, in view of the reasonable transmission losses proposed by the licensee, the Commission has deliberated and approved the transmission losses of 0.15% for each year of the Control Period i.e. FY 2013-14 to FY 2015-16.

3.5 However, the Commission has computed the energy transmitted into the distribution business or energy required at the transmission periphery based on the loss level and sales approved by the Commission for the JSPL distribution business. The same has been arrived based on sales target of the JSPL-D which is explained in the MYT Tariff Order for JSPL-D.

Table 4: Transmission Loss approved by the Commission for the Control Period

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Energy received into the system (MUs)	694.71	701.65	708.67
Energy transmitted from the system (MUs)	693.66	700.60	707.61
Energy Lost (MUs)	1.04	1.05	1.06
Loss in the system (in %)	0.15%	0.15%	0.15%

Fixed assets

3.6 JSPL-T claimed that in the Order for FY 2011-12, the Commission had approved the capital cost of Rs 3001 lakhs as against submission of Rs 4371.12 Lakhs proposed by JSPL-T. JSPL-T also filed a review petition against the Order dated 31st Dec 2011.

3.7 JSPL-T doesn't envisage any capital investment during the control period and hence submitted the same fixed assets of Rs. 4371.15 Lakhs for the entire Control Period.

Table 5: Gross Fixed Assets proposed by JSPL-T for the Control Period

(All fig in Rs Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Land under full ownership	40.31	40.31	40.31
Building and Civil Works	7.71	7.71	7.71
Switchgears, control gear & protection equipment including cable	2167.09	2167.09	2167.09
SCADA	152.93	152.93	152.93
Other plant & Machinery	9.15	9.15	9.15
Lines	1989.01	1989.01	1989.01
Furniture & fixtures	.61	.61	.61
Office Equipment	4.33	4.33	4.33
Total	**4371.15**	**4371.15**	**4371.15**

Commission's View

3.8 The Commission issued an Order on 11th March 2013 on petition no 11 of 2012(T) in the matter of review of Order passed on 30.12.2012 for JSPL Transmission business. The Order also deliberates on the issue of capital cost of JSPL (T).

3.9 The Commission's view as detailed in the review order is as highlighted below-

"As described in fore coming paragraph 11 the Commission has considered 43.2 km line and 8 bays for computing ARR. Despite repeated queries, JSPL did not submit segregation of accounts and its methodology of segregation adopted by it. JSPL-T is only stating that segregation of assets has been made from assets of JSPL non license business. The Commission had also asked about assets wise expenditure incurred by it on infrastructure developed for creating assets of licensed business, but JSPL-T failed to submit the same. Non acceptation of allocation certificate for assets indicated by JSPL-T is well described and covered in issue 12 In absence of proper reply from JSPL-T, the Commission took standard

rate of State Transmission Utiity (CSPTCL) to arrive at the cost of assets actually used for transmission business of JSPL-T. In present review petition JSPL has not submitted any new fact than what was submitted in earlier petition. Therefore, the Commission does not find any merit to review on this point."

3.10 The Commission also deliberated on the fact that for supply of power to the small base of consumers, JSPL-T doesn't require the infrastructure and huge capital expenditure proposed by JSPL-T in its petition. In the Tariff Order for FY 2011-12, the Commission had approved the fixed assets of JSPL-T based on the proposition of the standard requirement and rates specified for State Transmission Utility. The same has been considered by the Commission and fixed assets of Rs 3000.53 Lakhs have been approved for the Control Period considering no addition in GFA for the control period as submitted by the JSPL-T.

Operation and Maintenance Expenses

3.11 JSPL-T submitted that it has claimed O&M expenses based on methodology specified in CSERC MYT Regulation, 2012. JSPL-T obtained the CPI and WPI figures from indiastat.com and had arrived at weighted average index for forecasts for O&M expenses.

3.12 JSPL-T forecasted the O&M expenses as arrived by it based on inflation figures and normalized O&M expenses for base year 2012-13 are as given below:

Table 6: O&M Expenses projected for the Control Period by JSPL-T

(All fig in Rs Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
R&M Expenses	226.87	246.19	267.15
Employees Expenses	288.75	313.34	340.03
A&G Expenses	19.69	21.36	23.18
Total	**535.30**	**580.89**	**630.36**

Commission's View

3.13 The CSERC MYT Regulation 2012 prescribed methodology for calculation O&M expenses. The O&M expenses for transmission licensee shall include employees costs, administration and general expenses and repairs and maintenance expenses.

3.14 As per CSERC MYT Regulation 2012 the methodology for calculation of O&M expenses are as under

"a) The Operation and Maintenance expenses, excluding pension fund contribution and impact of pay revision arrears for the base year i.e. FY 2012-13, shall be derived on the basis of the normalized average of the actual Operation and Maintenance expenses excluding pension fund contribution and impact of pay revision arrears available in the audited/un audited accounts for the previous three (3) years immediately preceding the base year FY 2012-13, subject to prudence check by the Commission.

(b) The normalization shall be done by applying weighted average inflation at the rate of 60% weightage to actual variation in CPI and 40% weightage to actual variation in WPI on

year to year basis. The average of normalized net present value for 2009-10, 2010- 11 and 2011-12, shall then be used to project base year value for 2012-13. The base year value so arrived shall be escalated by the above inflation rate to estimate the O&M expense (excluding impact of pay revision, if any) for each year of the control period."

3.15 Based on the methodology provided in the MYT Regulations, the base year O&M expense i.e. FY 2012-13 has been arrived. In absence of segregated audited accounts for JSPL transmission business, the Commission has considered the approved O&M expense for the three years immediately preceding the base year i.e. FY 2012-13.

3.16 For the purpose of computation, the WPI and CPI index as available on the website of Reserve Bank of India has been considered. Weighted average inflation figures is calculated considering 40% weight WPI and 60% for CPI for last 3 years as given in the below table.

Table 7: Inflation Rate considered by the Commission

Year	WPI	CPI	40-60
2009-10	3.80%	12.24%	8.87%
2010-11	9.60%	10.55%	10.17%
2011-12	8.94%	8.38%	8.60%
2012-13 (Average)	**7.45%**	**10.39%**	**9.21%**

3.17 The base value for FY 2011-12 is arrived by considering the average of the NPV values calculated for FY 2009-10 and FY 2010-11, and approved value of FY 2011-12. NPV value for the respective years are calculated by escalating the approved O&M expenses for the years preceding FY 2011-12 on the inflations rate provided in the table above. Average of three year NPV is considered as the base O&M expenses for FY 2011-12.

3.18 Further, the base value of O&M expenses for FY 2012-13 is arrived by escalating the O&M expenses for FY 2011-12 (as computed based on the methodology detailed above) on the average inflation rate of the preceding three years i.e. 9.21%.

3.19 The O&M expenses for the Control Period FY 2013-14 to FY 2015-16 is projected considering the average inflation rate for three years preceding the base year of FY 2012-13 i.e. 9.21 % on the base year O&M expenses calculated as mentioned above. The O&M expense approved by the Commission for each year of the Control Period is provided in the table below:

Table 8: O&M expenses for Control Period approved by the Commission

(All Fig in Rs Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
O&M expenses	413.36	451.44	493.02

Depreciation

3.20 JSPL-T submitted that it has calculated the depreciation for each financial year from FY 2013-14 to FY 2015-16 on the basis of rates for depreciation prescribed in the CERC MYT Regulations, 2012 on the fixed assets submitted by it in the petition.

Table 9: Depreciation for Control Period projected by JSPL-T

(All Fig in Rs Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Land & Land rights	0	0	0
Building and Civil Works	0.26	0.26	0.26
Switchgear including cable connections	114.42	114.42	114.42
SCADA	8.07	8.07	8.07
Other plant & Machinery	0.48	0.48	0.48
Line cable and network	105.02	105.02	105.02
Furniture & Fixtures	0.04	0.04	0.04
Office Equipment	0.27	0.27	0.27
Total	**228.57**	**228.57**	**228.57**

Commission's View

3.21 The Commission has prescribed the rates for calculation of depreciation for each asset class under the CSERC MYT regulations, 2012. These rates are applied to the fixed assets as approved by the Commission in this Order for approval of depreciation for the Control Period. The depreciation approved by the Commission is given in table below:

Table 10: Depreciation for Control period approved by the Commission

(All fig in Rs Lakhs)

Particulars	Asset Base	Depreciation Rate	Depreciation
Land & Land rights(full ownership)	27.67	0%	-
Building and Civil Works	5.29	3.34%	0.18
Plant & Machinery(incl SCADA)	1598.84	5.28%	84.42
Line cable & Network	1365.34	5.28%	72.09
Furniture & fixtures	0.25	6.33%	0.02
Office Equipment	3.14	6.33%	0.20
Total	**3000.53**		**156.90**

Interest on Normative Loan

3.22 JSPL-T submitted that it has no outstanding balance of loan from any commercial bank identified directly attributable to the licensed transmission business of JSPL. Further, the licensed transmission business of JSPL does not envisage taking up any fresh loan from commercial banks or lending institutions. The fixed assets engaged in the licensed transmission business have been funded by JSPL-other (Non-licensed) business segments of JSPL. JSPL-T also submitted that it has calculated normative debt as per net fixed assets in excess of 30% of gross fixed assets and considered repayment on loans equal to the depreciation during the respective financial years.

3.23 JSPL-T has calculated interest on the above mentioned normative loan at the rate of 12.5%, the rate at which financial companies such that REC and PFC finances transmission projects for private borrowers of the ratings such as those of JSPL.

3.24 The interest on normative loan submitted by JSPL-T is as given in the table below :-

Table 11: Interest on Loan for Control Period projected by JSPL-T

(All fig in Rs Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Opening balance of GFA	4371.15	4371.15	4371.15
Accumulated depreciation till previous years	1595.36	1823.93	2052.50
Opening balance of normative loan	1464.44	1235.87	1007.30
Depreciation for FY (Normative repayment)	228.57	228.57	228.57
Closing balance of normative loan	1235.87	1007.30	778.73
Average normative loan	1350.16	1121.59	893.01
Interest rate	12.50%	12.50%	12.50%
Interest on normative loan	**168.77**	**140.20**	**111.63**

Commission's View

3.25 The CSERC MYT Regulations 2012 provide for approval of interest cost as per Regulation 23 'Interest and Finance Charges on Loan Capital' that stated *"The loans arrived at in the manner indicated in Regulation 17 shall be considered as gross normative loan for calculation of interest on loan."* Further, Regulation 17 states *"In case of the generating station and the licensee declared under commercial operation prior to 01.04.2013, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2013 shall be considered."*

3.26 It is observed that the parent company i.e. JSPL has not undertaken any loans which could be directly attributable to the transmission business i.e. JSPL-T. Therefore, in the previous Orders, the Commission had considered normative loan based on the approved gross fixed assets. The closing balance of the approved normative loans as per the Tariff Order of FY 2012-13 has been considered as the opening normative loan balance for the first year of the Control Period i.e. FY 2013-14 for the purpose of approval of interest cost.

3.27 As regards the percentage of interest rate, JSPL-T submitted that it has calculated interest on the aforesaid normative loan at the rate of 12.5%, the rate at which JSPL is able to procure long term loans from the bank and financial institutes. In one of the submission JSPL-D submitted that interest rate petitioned is justified on the basis of interest rate offered by PFC and REC to the AAA credit rating companies.

3.28 The Commission noted that JSPL-T had submitted the interest rate on the loans at 11.5% in previous petition. Also as per the submissions of JSPL-T it is clear that JSPL-T has not taken any fresh loan during FY 2012-13. The Commission is of the view that interest on long term loans, unlike interest on short term loans, are not subject to change annually/ frequently. As per the submission of JSPL-T with regard to the interest rate on the existing loans for last three years, it is observed that though the rate of interest on new loans is higher/lower, the interest rate on the ongoing loans have not revised during this period.

3.29 The Commission in the Tariff Order of JSPL-T for FY 2012-13 has dealt with the loan amount and interest thereon for JSPL-T in detail. The same is reiterated below:

"6.20 As regards the percentage of interest rate, JSPL submitted that it has calculated interest on the aforesaid normative loan at the rate of 11.5%, the rate at which JSPL is able to

procure long term loans from the bank and financial institutes. However, it is observed that JSPL has not filed any documentary proof to substantiate the claim. Moreover, the interest rates at which financial closure of projects are achieved are depends upon negotiations between the firm procuring loans and the financial institutions and the project risk and hence project rating instead of company rating. The project ratings could be higher or lower than the company ratings and, therefore would have an impact on the interest rates of the loans procured for specific project.

6.21 The Commission also noted that JSPL-T has not taken any loan directly but the loan has been taken by its parent company Jindal Steel and Power Limited. JSPL has allocated the loan portion to the subsidiary JSPL-T. CSERC Regulation 2006 mandates that the interest rate on the amount of equity above 30%, treated as loan, shall be the weighted average rate of the loan schemes of the licensee.

6.22 During the TVS and in numerous communications , the Commission asked JSPL-T to submit loan details along with interest paid for each loan for calculation of weighted average interest rate for loans availed by JSPL.

6.23 JSPL has provided partial information regarding the loan portfolio of the JSPL parent company. The details of the Long term portfolio as submitted by the JSPL as on 31st Dec 2012 is provided in the below:

Table 30: Loan portfolio submitted by the JSPL as on 31st Dec 2012

Long term borrowings	*Amount(Rs Crs)*
Debentures	***1662***
Secured Long term borrowings	***9238.88***
Term loan from Banks	*9156.32*
Other loan from Banks	*82.56*
Unsecured Long term borrowings	
Unsecured term loan from Banks	*572.98*
Fixed deposits from public	*9.51*
External commercial borrowings	***1333.89***
Total	***12817.26***

6.24 JSPL also submitted that several of these loans are dedicated for setting up specific assets at JSPL's plants and can only be utilized for purchase of equipment at these specific plants. These dedicated borrowings include "other loans from banks" and the "Unsecured long term borrowings". Further, JSPL submitted the details of debenture and the secured term loans from the banks.

6.25 The Commission, however noted that JSPL (T) has not given any information and proof in the support of rationing the JSPL-T loan to particular parent's loan. The normative loan provided to the JSPL-T at the time of financial closure of the project may either be a specific loan or from any other source like retained earnings, fresh equity or any other source etc. of the parent company. In the absence of any information for calculation of interest rates to be applied to normative loan and allocation of normative loan to a particular loan of JSPL Parent Company it would be justified to consider total portfolio of the JSPL parent company loan and provide the average interest rate applicable on the total loan portfolio of JSPL parent company. As the loan is deemed to be taken from parent company and not an actual loan, it *would not be justified to leave the loans taken for creating specific purposes from loan portfolio.*

6.26 Commission also noted that JSPL has foreign loans in its loan portfolio. The interest rate submitted by the JSPL-T is by the Indian financial and lending institutions and does not mention financing cost by foreign financial and lending institutions. Generally, Interest rates offered by the foreign institutions are lower than that offered by the Indian institutions. The Commission procured the annual reports of Jindal Steel and Power Company Limited which is parent company of JSPL-T, petitioner in the present petition, from its official website www.jindalsteelpower.com and has observed that as per annual accounts of 2011-12 the loan portfolio as on 31st March 2012 of JSPL is as given in the table below.

Table 31: Loan portfolio as per annual accounts of JSPL as on 31st March 2012

Long term borrowings	*Amount (Rs. Crs)*
Debentures	***1662***
Secured Long term borrowings	
Term loan from Banks	*4696.69*
Other loan from Banks	*41.77*
Unsecured Long term borrowings	
Unsecured term loan from Banks	*920.46*
Fixed deposits from public	*6.08*
External commercial borrowings	***1662.92***
Total	***8493.92***

6.27 The Commission further asked JSPL to provide the individual loans of JSPL parent company for FY 2011-12 and FY 2012-13 and interest paid on these loans. JSPL was asked to submit the detailed effect of hedging and foreign currency fluctuations on each loan of the JSPL parent company. In reply to the query JSPL submitted the partial information on certain loans and interest paid on these loans. The Commission observed several discrepancies in the both the submissions of the JSPL regarding the loan portfolio of the parent company. The sum of closing balance of the loan portfolio as on 31st March 2012 submitted by the JSPL is Rs 5013 .65 Crs while the secured long term borrowings given in JSPL's annual reports are Rs 6400.46 Cr for FY 2011-12. Also JSPL didn't provide the details of foreign loans or external commercial borrowings, effects of foreign currency fluctuations on the individual loans and cost of hedging instruments as desired by the commission in its query to the JSPL-T. In the absence of the requisite information the Commission had no option but to calculate actual interest rate of JSPL's loan portfolio based on the information contained in its Annual reports for FY 2011-12.

6.28 As per the annual accounts of the parent company for FY 2011-12, the interest on total loan portfolio of JSPL is estimated at approximately 8%. It is important to note that the Commission has calculated the interest cost on total portfolio, including short term loans, as per annual accounts. However, the other cost with respect to foreign loans i.e. hedging costs, loan swaps, other derivatives and currency fluctuations allocated to interest costs could not be identified with certainty. In one of the queries, JSPL was asked to submit these costs separately for each loan which was not submitted by JSPL. Further, this interest cost includes short term borrowing cost also which is generally much higher than long term borrowing costs.

6.29 The interest rates prevailing for the short-term loans at the time when JSPL-T project was commissioned can be best analyzed from SBI PLR rates prevailing at during that period. Based on the review of the SBI PLR during the period, it is noted that the SBI PLR at the time of commissioning of the both the transmission lines were 10.25% & 10.75% respectively. The long-term loan are generally sanctioned at 250-300 basis points discounts on the SBI PLR. Based on the evaluation, it is likely that the applicable interest rates on the loans undertake for the transmission project by JSPL would not have been higher than 8%.

6.30 Therefore, the Commission is of the view that the actual interest cost for JSPL-T would be much lower than 11%. In the previous year Tariff Order, the Commission had considered an interest rate of 11% from FY 2009-10 to FY 2011-12 on the funds borrowed from other business segments based on the information available with the Commission about the prevailing interest rates of respective years. The Commission feels that the allowed interest rate should have remained constant at 11% as it is a long-term loan and approves the same for computation of interest expense on normative loans for FY 2012-13."

3.30 In absence of any additional submission by the licensee during the processing of the MYT Petition in support of the interest rate claimed for the Control Period, the Commission has approved an interest rate of 11% for the Control Period i.e. FY 2013-14 to FY 2015-16 on the normative loans approved by the Commission.

3.31 The amount of normative loan and interest cost approved by the Commission for Control Period FY 2013-14 to FY 2015-16 is tabulated below:

Table 12: Interest on normative loans as approved by the Commission for the Control Period

(all fig in Lakhs)

S. No.	Particulars	FY 2013-14	FY 2014-15	FY 2015-16
1	Opening balance of GFA	3000.53	3000.53	3000.53
2	Accumulated depreciation till previous FY	791.56	948.46	1105.36
3	Net Fixed Assets	2208.97	2052.07	1895.17
4	Equity(30*1)	900.16	900.16	900.16
5	Opening balance of normative loan (3-4)	1308.81	1151.91	995.01
6	Depreciation for current FY	156.90	156.90	156.90
7	Closing balance of normative loan (5-6)	1151.91	995.01	838.11
8	Average normative loan (5+7)/2	1230.36	1073.46	916.56
9	*Interest Rate*	*11%*	*11%*	*11%*
10	**Interest on Normative Loan**	**135.34**	**118.08**	**100.82**

Interest on Working capital

3.32 JSPL-T submitted that it has not raised any working capital loan from outside agency. JSPL-T calculated the working capital and interest on working capital as prescribed in CSERC MYT Regulations 2012.

3.33 Working capital requirement and interest on working capital submitted by JSPL-T for the Control Period is as given in the table below:-

Table 13: Interest on Working Capital proposed by JSPL-T for the Control Period

(all fig in Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
O&M expense for one month	44.61	48.41	52.53
Maintenance spares@ 15% of O&M Expenses	80.30	87.13	94.55
Receivables equivalent to one month of Fixed cost	101.39	102.95	104.84
Total	**226.30**	**238.49**	**251.92**
Interest Rate	*13.25%*	*13.25%*	*13.25%*
Interest on Working Capital	**29.98**	**31.60**	**33.38**

Commission's View

3.34 CSERC MYT Regulations 2012 provides for computation of normative interest on working capital notwithstanding that the transmission licensee or the distribution licensee has not taken loan for working capital from any outside agency.

3.35 Therefore, the Commission has calculated the Interest on Working Capital in accordance with paragraph 25.1 (c) of CSERC MYT Tariff Regulations, 2012 which states that the working capital of the transmission licensee shall cover the following:

i. Operation and maintenance expense for one month; plus
ii. Maintenance spares@ 15% of maintenance expenses
iii. Receivables equivalent to one month of fixed costs

3.36 Also Regulation 25.3 specifies that interest on working capital, as calculated above, shall be allowed at a rate equal to the base rate of State Bank of India as on 30th Sep of the financial year in which the petition is filed plus 350 basis points. At the time of true-up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which truing up exercise has been undertaken. The Commission notes that base rate of SBI on 30th Sep 2012 was 9.70% and has considered an interest rate of 13.20% (9.70% plus 300 basis points) on the working capital requirement approved for each year of the Control Period.

3.37 The approved working capital requirement and interest thereon for FY 2013-14 to FY 2015-16 is summarized in table below:

Table 14: Interest on working capital for control period approved by the Commission

(all fig in Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
O&M expense for one month	34.45	37.62	41.08
Maintenance spares@ 15% of O&M Expenses	62.00	67.72	73.95
Receivables equivalent to one month of Fixed cost	72.28	74.14	76.29
Total Working Capital Requirement	168.73	179.47	191.33
Interest Rate	*13.20%*	*13.20%*	*13.20%*
Interest on Working Capital	**22.27**	**23.69**	**25.26**

Return on Equity

3.38 JSPL-T submitted that it has not raised any share capital for its licensed transmission business. JSPL-T claimed that it has calculated the return on equity as per methodology mentioned in CSERC MYT Regulations 2012.

3.39 JSPL-T further submitted that it has grossed up the allowed rate of return on equity of 15.5% at the prevailing MAT rate of the base year.

Table 15: Return on equity claimed by JSPL-T for Control Period

(all fig in Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Opening balance of GFA	4371.15	4371.15	4371.15
Changes in GFA			
Closing balance of GFA	4371.15	4371.15	4371.15
Operative Normative Equity	1311.34	1311.34	1311.34
Closing Normative Equity	1311.34	1311.34	1311.34
Average Normative Equity	1311.34	1311.34	1311.34
Base rate of reasonable return on Equity	15.5%	15.5%	15.5%
MAT Rate	20.007%	20.007%	20.007%
Gross up rate of reasonable return of the equity	19.38%	19.38%	19.38%
Return on Equity	**254.10**	**254.10**	**254.10**

Commission View

3.40 The Commission has considered equity component as 30% of capital cost approved by the Commission in this Order as per Regulation 22.1 of the CSERC MYT Regulations 2012. Since there is no asset addition during the year, there is no increase in equity base of JSPL-T.

3.41 Further, as per Regulation 22.3 of the CSERC MYT regulations 2012

"The rate of return on equity for each year of the control period shall be computed by grossing up the base with the prevailing MAT rate of the base year: Provided that return on equity with respect to the actual tax rate applicable to the transmission licensee in line with the provisions of the relevant Finance Acts of the respective year during the Control Period shall be trued up separately for each year of the Control Period. In case, no tax is payable during the financial year, the tax rate for the purpose of truing up shall be taken as nil.
…………..
Provided that if there is a loss incurred by the generating company or the transmission licensee or distribution licensee, as the case may be, in the previous year and based on the prudence check made by the Commission, the Minimum Alternate Tax may not be considered in such a case while determining the return on equity"

3.42 It is pertinent to note that JSPL-T has not filed segregated audited accounts for the transmission business for FY 2012-13 and as per accounts submitted for FY 2011-12 JSPL-T profit before tax is negative. Therefore, the Commission has approved a return on equity of 15.50% without providing for any grossing up on account of income tax. Any tax implication on the licensee would be considered at the time of true-up subject to availability of audited segregated accounts.

Table 16: RoE approved by the Commission for control period

(Fig in Lakhs)

Particulars	FY 2012-13	FY 2014-15	FY 2015-16
Opening GFA	3000.53	3000.53	3000.53
Opening equity qualified for RoE	900.16	900.16	900.16
Additions to GFA	0	0	0

Particulars	FY 2012-13	FY 2014-15	FY 2015-16
Closing GFA	3000.53	3000.53	3000.53
Closing equity qualified for RoE	900.16	900.16	900.16
Average equity qualified for RoE	900.16	900.16	900.16
Rate of reasonable return	15.5%	15.5%	15.5%
Return on Equity	**139.52**	**139.52**	**139.52**

Non-Tariff Income

3.43 JSPL-T has not submitted any non-tariff income for FY 2012-13 and has therefore not projected non-tariff income for the control period.

Commission View

3.44 In line with the submission of JSPL-T, the Commission has not considered any Non-tariff income for the Control period FY 2013-14 to FY 2015-16.

Aggregate Revenue Requirement

3.45 The Aggregate Revenue Requirement for Control Period as submitted by JSPL-T in the Petition is tabulated below:

Table 17: ARR proposed by JSPL-T for the Control Period

(all fig in Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
O&M expenses	535.31	580.89	630.36
Depreciation	228.57	228.57	228.57
Interest on normative loan	168.77	140.20	111.63
Interest on working capital	29.98	31.60	33.38
Return on equity	254.09	254.09	254.09
Less: Non-tariff income	-	-	-
ARR	**1216.72**	**1235.35**	**1258.03**

Commission View

3.46 Based on the various elements of the expenses and return discussed above, the summary of ARR of JSPL-T as approved by the Commission for each year of the Control Period is tabulated as under:

Table 18: Approved ARR by the Commission for the Control Period

(all figs. In Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
O&M expenses	413.36	451.44	493.02
Depreciation	156.90	156.90	156.90
Interest on normative loan	135.34	118.08	100.82
Interest on working capital	22.27	23.69	25.26
Return on equity	139.52	139.52	139.52
Less: Non- tariff income	0.00	0.00	0.00
ARR	**867.40**	**889.63**	**915.52**

4 Transmission Tariff for FY 2013-14

Revenue from Transmission Tariff

4.1 JSPL-T has submitted the following Transmission charges for Control Period based on the ARR filed by it for the respective years

Table 19: ARR Proposed by JSPL-T for the Control Period

(all fig in Rs Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Proposed ARR	1216.72	1235.35	1258.03

4.2 JSPL-T submitted that there is only one consumer for the licensed transmission business that is the designated area of the licensed distribution and retail supply business of JSPL (JSPL-D). Further, JSPL-T made the submission that 100 MW of transmission capacity is utilized by the licensed distribution business of JSPL as against the total capacity of 400 MW. Accordingly, on the basis of utilization of the transmission capacity and actual transmission of power, JSPL-T allocated transmission charges to licensed distribution and retail supply business of JSPL.

Table 20: Transmission charges for the Control Period Proposed by JSPL-T

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Transmission ARR (Rs. Lakhs)	1216.72	1235.35	1258.03
Share of JSPL-D in capacity utilization (%)	25%	25%	25%
Transmission charge for JSPL-D (Rs. Lakhs)	304.18	308.84	314.51
Energy input at distribution periphery (MUs)	662.22	668.85	675.54
Transmission charges (Rs/kWh)	0.0459	0.0462	0.0466

Commission's View

4.3 In the above Chapter, the Commission has approved the ARR for the JSPL transmission business for the Control Period FY 2013-14 to FY 2015-16.

4.4 Further, the Commission noted that despite repeated directions, JSPL-T has failed to submit downloaded meter readings for all the boundary points of transmission system which could be used to establish actual capacity utilization of the transmission network. Hence, the Commission constrained with lack of factual data on utilization of transmission assets is allocating Transmission charges as under to JSPL-D based on the capacity utilization of 100 MW out of 400 MW of the total capacity i.e. 25% of total capacity as considered by the Commission in its last Tariff Orders.

4.5 Further, Regulation 31.1 of the CSERC MYT Regulations states:

"Bills shall be raised for capacity charge and energy charge on monthly basis by the generating company and the transmission licensee/STU in accordance with these Regulations and payments shall be made by the beneficiaries directly to the generating company / transmission licensee/STU, as the case may be."

4.6 Therefore, the Commission has computed monthly transmission charges applicable to JSPL distribution licensee against the 25% capacity utilization of the transmission system of JSPL-T.

Table 21: Allocation of Approved ARR for Recovery from JSPL-D for the Control Period

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Transmission ARR (Rs. Lakhs)	**867.40**	**889.63**	**915.52**
Share of JSPL-D in capacity utilization	25%	25%	25%
Transmission charge for JSPL-D (Rs. Lakhs)	216.85	222.41	228.88
Monthly Transmission Charges applicable to JSPL-D (Rs. Lakhs)	**18.07**	**18.53**	**19.07**

4.7 The Commission further directs JSPL-T that if there is utilisation of transmission assets by non-licensed business, these transactions should form part of Open Access regime in State of Chhattisgarh and all the provisions of CSERC (Connectivity and Intra-State Open Access) Regulations are applicable.

Date of applicability of tariff

4.8 The Commission directs the Transmission licensee to take immediate steps to implement the tariff order. They shall give a public notice of seven days in accordance with the CSERC (Details to be furnished by the licensees or generating company etc.) Regulations, 2004, before implementation of Tariff Order.