# CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION

## RAIPUR

Bhilai Steel Plant Town Electrical Engineering Department (BSP-TEED) .... P. No.04/2025

**Present:** 

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

**In the matter of –**

1. Truing up of Aggregate Revenue Requirement (ARR) for FY 2023-24;
2. Determination of ARR for FY 2025-26;
3. Determination of Tariff for FY 2025-26.

## ORDER

**(Passed on 23/07/2025)**

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 'CSERC MYT Regulations, 2021') for determination of Aggregate Revenue Requirement (ARR) and tariff for the Generating Company, Licensees, and CSLDC for the Control Period from FY 2022-23 to FY 2024-25.

2. 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 Act and broadly following the principles specified in the CSERC MYT Regulations, 2021.

3. In compliance to above Regulations, BSP-TEED has filed Tariff Petition for determination of Aggregate Revenue Requirement and retail tariff for FY 2025-26 along with truing-up of FY 2023-24. This Petition was registered as Petition No.04 of 2025 dated 14/01/2025.

4. For inviting objections/suggestions as per the procedure laid down in the Regulations, Petitioner has published a Public Notice along with the gist of the Petition in the newspapers. For this purpose, the Petition was made available in the office of the Commission. The Petition was also made available on the Commission's website.

5. On the scrutiny of the Petition filed by BSP-TEED, the Commission observed certain deficiencies and sought clarification/additional information from BSP-TEED.

6. A Technical Validation Session (TVS) on the Petition was held on 28 January 2025, in the office of Commission. Further, the Commission conducted Public Hearing on 20.06.2025.

7. The Commission has undertaken the true-up for FY 2023-24 in accordance with the CSERC MYT Regulations, 2021 for BSP-TEED, based on the audited accounts submitted by the Petitioner.

8. The Commission has also determined the ARR and Retail Tariff for FY 2025-26 for BSP-TEED in accordance with the provisions of the CSERC MYT Regulations, 2021.

9. The Commission has approved Revenue Gap of Rs. 1226.39 Lakh, as against Rs. 1858.14 Lakh sought by BSP-TEED for FY 2023-24. During disposal of tariff petition for FY 2023-24, the Petitioner had submitted that it would absorb any Revenue Gap arising due to shortfall in revenue vis-à-vis the revenue requirement. The Commission had accordingly approved the tariff for FY 2023-24. Therefore, it is not justified for the Petitioner to now seek recovery of the Revenue Gap for FY 2023-24 from the consumers. Hence, though the Commission has computed the Revenue Gap after true-up for FY 2023-24 in this Order, the Commission has not considered the same in the Cumulative Gap, while determining the ARR and tariff for FY 2025-26.

10. After considering the ARR and revenue from sale of electricity for FY 2025-26, the stand-alone Revenue Gap for FY 2025-26 has been estimated as Rs. 81.92 Lakh, as against the stand-alone Revenue Gap of Rs. 1470.31 Lakh projected by BSP-TEED for FY 2025-26.

11. For FY 2025-26, BSP-TEED has sought approval for stand-alone ARR of Rs. 10921.01 Lakh. As against this, the Commission, after prudence check and due scrutiny, has approved the ARR of Rs. 9424.60 Lakh.

12. The ACoS for FY 2025-26 has been approved as Rs. 5.66/kWh.

13. The Average Billing Rate (ABR) estimated by the Commission at the existing tariff for FY 2025-26 is Rs. 5.61/kWh. Hence, the Commission has approved average tariff increase of 0.88% across all consumer categories, which translates to Rs. 0.05/kWh, with the ACoS of Rs. 5.66/kWh.

14. The Order will be applicable from 01$^{st}$ August, 2025 and remain in force till 31 March 2026, or till the issue of the next Tariff Order, whichever is later.

15. The Commission directs BSP-TEED to take appropriate steps to implement the Tariff Order.

| 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 |
| ACoS | Average Cost of Supply |
| ARR | Aggregate Revenue Requirement |
| BSP | Bhilai Steel Plant |
| BSP-TEED | Bhilai Steel Plant-Town Electrical Engineering Department |
| CAGR | Compounded Annual Growth Rate |
| CSERC | Chhattisgarh State Electricity Regulatory Commission |
| CSLDC | Chhattisgarh State Load Despatch Centre |
| CSPDCL | Chhattisgarh State Power Distribution Company Limited |
| DISCOM | Distribution Company |
| DPS | Delayed Payment Surcharge |
| EA or Act | Electricity Act, 2003 |
| FY | Financial Year |
| GFA | Gross Fixed Asset |
| HPO | Hydro Purchase Obligation |
| HT | High Tension |
| HUDCO | Housing and Urban Development Corporation Limited |
| HV | High Voltage |
| IoWC | Interest on Working Capital |
| kV | kilo Volt |
| kVA | kilo Volt-Ampere |
| kW | kilo Watt |
| kWh | kilo Watt-hour |
| LV | Low Voltage |
| M&G | Maintenance and General |
| MCLR | Marginal Cost of Funds based Lending Rate |
| MMC | Minimum Monthly Charges |
| MU | Million Units |
| MYT | Multi Year Tariff |
| NEP | National Electricity Policy |
| NSPCL | NTPC-SAIL Power Company Limited |
| NTI | Non-Tariff Income |
| O&M | Operation and Maintenance |
| R&M | Repair and Maintenance |

| Abbreviation | Description |
|---|---|
| RBI | Reserve Bank of India |
| RE | Renewable Energy |
| REC | Renewable Energy Certificate |
| RoE | Return on Equity |
| RPO | Renewable Purchase Obligation |
| Rs. | Rupees |
| SAIL | Steel Authority of India Ltd. |
| SBI | State Bank of India |
| SLDC | State Load Despatch Centre |
| SLM | Straight Line Method |
| STU | State Transmission Utility |
| ToD | Time of Day |
| TVS | Technical Validation Session |
| WPI | Wholesale Price Index |
| YoY | Year-on-Year |

# TABLE OF CONTENTS

## List of Tables

# 1 BACKGROUND AND BRIEF HISTORY

## Background

Bhilai Steel Plant (BSP), a Unit of the Steel Authority of India (SAIL) is a Government of India Enterprise under Section 617 of the Companies Act, 1956. The Town Electrical Engineering Department of BSP (herein after referred as "BSP-TEED") is a division of BSP, responsible for electricity distribution and related services in the township area.

Prior to the formation of the State of Chhattisgarh, the Government of Madhya Pradesh had issued permission to Bhilai Steel Plant for distribution of electricity in its township under the provision of Section 28(1) of the erstwhile Indian Electricity Act, 1910, vide letter No. 3116/F-16/3/13/92 dated June 27, 1992.

In February 2005, SAIL-BSP submitted an Application before the Chhattisgarh State Electricity Regulatory Commission (CSERC or Commission) under Section 14 of the Electricity Act, 2003 (herein after referred as "the EA, 2003" or "the Act") for the grant of a new Distribution Licence. The application was considered by the Commission, and a Distribution Licence was granted to SAIL-BSP vide No. 02/Licence/01/022005/1395, dated December 20, 2005, to distribute electricity in the designated area of township of BSP, except for HUDCO area.

## The Electricity Act, 2003, Tariff Policy and Regulations

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

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

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

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

**Procedural History**

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

Subsequently, BSP-TEED filed a Petition No. 106 of 2023 for determination of retail tariff for FY 2024-25 and true-up for FY 2020-21, FY 2021-22, and FY 2022-23, which was registered and disposed of vide Order dated 24.06.2024.

BSP-TEED has filed the instant Petition on 03.01.2025 in accordance with the CSERC MYT Regulations, 2021 for the approval of Final true-up for 2023-24 and determination of ARR and Retail Supply Tariff for FY 2025-26, which was registered as Petition No. 4/2025.

Objections/suggestions were invited on Petition No. 4/2025 through the Public Notice published in newspapers. Objections/suggestions submitted in response to above mentioned public notice have also been considered in the disposal of the instant Petition. In this instant Order, the Commission has undertaken the final true-up for FY 2023-24 and determination of ARR and Retail Supply Tariff for FY 2025-26 for BSP-TEED in accordance with the provisions of the CSERC MYT Regulations, 2021. The Commission in this Order has undertaken the true-up for FY 2023-24 based on the audited accounts and other information submitted by BSP-TEED.

**Admission of Petition and Hearing Process**

BSP-TEED was 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 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 Petition were published by the Petitioner in the leading newspapers.

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

Objections and suggestions were received from stakeholders on the Petitions filed by BSP-TEED. The list of persons who filed the written submissions and offered comments during hearing is annexed as **Annexure-I**.

Public Hearing was held on 20th June, 2025. 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 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.

**Organisation of the Order**

This Order includes the following Chapters:

**Chapter 1: Introduction (present Chapter)** - provides a brief background of the regulatory process undertaken by the Commission.

**Chapter 2: Objections Received, BSP-TEED's Response and Commission's Ruling -** summarises the written and oral suggestions and objections raised. These are followed by the responses of the Petitioner and the Rulings of the Commission.

**Chapter 3: True-up for FY 2023-24 -** deals with True-up for FY 2023-24 as per CSERC MYT Regulations, 2021.

**Chapter 4: Determination of ARR for FY 2025-26 -** deals with approval of Aggregate Revenue Requirement (ARR) for FY 2025-26 in accordance with CSERC MYT Regulations, 2021.

**Chapter 5: Tariff Proposal for FY 2025-26** – sets out the Commission's Tariff Philosophy and the category-wise tariffs approved for FY 2025-26.

**Chapter 6: Tariff Schedule for FY 2025-26** – sets out the category-wise tariff and its applicability for FY 2025-26.

**Chapter 7: Directives** - discusses the directives issued to BSP-TEED.

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

**Distribution Losses**

**Objector's Submission**

Bhilai Steel City Chamber of Commerce submitted that there is a persistent issue of electricity theft occurring during public, social, political, and large-scale events. Despite the repeated directives from the Commission, this issue persists. This unabated theft, which has continued for several years, directly imposes an undue financial burden on common consumers. It is submitted that BSP-TEED should take responsibility for these losses, thereby alleviating the burden on common people.

Confederation of All India Traders submitted that Energy Audit Report data, and data according to D.T. Meter readings should be reviewed. Authentic documents should be provided, and a third-party verification must be conducted.

Confederation of All India Traders submitted that a substantial number of unauthorized constructions have been identified within BSP House lease area. This raises questions regarding the methodology for calculating and verifying electricity consumption in these premises. Given that each of these residences is utilising a significant number of AC's ranging from a minimum of two to a maximum of ten, it is important to conduct a thorough and transparent review of the electricity billing and assessment process. A comprehensive audit is warranted to ensure accurate computation of electricity charges for these unauthorized structures, thereby preventing any undue burden on other consumers.

Confederation of All India Traders submitted that there are significant instances of electricity theft in areas near to the township, i.e., Maya Nagari, Maharana Pratap Bhawan Sector-6, Hospital Sector, Khursipar, HSCL Ruabandha areas. However, no effective measures have been implemented to curb the electricity theft over the past ten years.

**Petitioner's Reply**

BSP-TEED submitted that it has already submitted the details of losses incurred by BSP-TEED. The Petitioner submitted that the Commission has already acknowledged that there was under recovery of tariff and that the under-recovery will be borne by the Petitioner. However, the Petitioner in this instant Petition has requested the Commission to allow complete recovery of its cost borne for supplying power to its consumers and also allow recovery of losses that were borne by it in previous years. As regards the issue of electricity theft, the Petitioner acknowledged the same and submitted that the Petitioner has been actively involved in taking actions against theft of electricity by coordinating with local authorities and law enforcement agencies. BSP-TEED also submitted that this issue is not the subject matter of the present Petition.

**Commission's View**

The Commission is of the view that electricity theft increases Distribution Loss, which affects the tariff of other consumers. Therefore, BSP-TEED is directed to take more effective steps to curb the electricity theft.

**Category-wise Tariff**

**Objector's Submission**

Bhilai Steel City Chamber of Commerce submitted that BSP-TEED has proposed that electricity tariff for FY 2025-26 should be aligned with the tariff approved for CSPDCL. However, there is a significant difference between the jurisdiction of BSP-TEED and CSPDCL. Therefore, the objector requested the Commission to reject the proposal made by BSP-TEED.

**Petitioner's Reply**

With respect to the Tariff Petition for FY 2025-26, BSP-TEED submitted that it performs the function of a Distribution Licensee in a similar manner as that of CSPDCL and therefore, is well within its right to seek determination of tariff in line with that of CSPDCL.

**Commission's View**

The Commission has fixed the retail tariff considering the ARR approved for BSP-TEED and hence, not considered the request of BSP-TEED to fix retail tariff as that of CSPDCL.

**Quality of Supply**

**Objector's Submission**

Bhilai Steel City Chamber of Commerce submitted that BSP-TEED should provide detailed reasons for being unable to fulfil the demands for 3-phase power supply to consumers. Further, BSP-TEED should also furnish the details of total number of applications received for 3-phase connections and the number of 3-phase connections subsequently issued by

BSP-TEED in last four to five years. The Objector requested the Commission to direct BSP-TEED to process and provide 3-phase connections to consumers upon demand.

Bhilai Steel City Chamber of Commerce submitted that BSP-TEED is not following the Commission's Orders. Despite prior directives of the Commission and BSP's own Order to remove the phrase "Power Disconnection" from consumer affidavits, the Municipal Services Department continues to include it during property registrations. Therefore, Bhilai Steel City Chamber of Commerce requested the Commission to issue a contempt Order against BSP-TEED and penalize the responsible officers.

**Petitioner's Reply**

The issue of 3-phase connections not being released to the consumers is not relevant to the instant Petition, however, BSP-TEED assured that it would look into the issue for providing three-phase connection to consumers. As regards usage of the term "Power Disconnection" in affidavit taken from the consumers, BSP-TEED submitted that this issue is not relevant to the present Petition filed by BSP-TEED for determination of Tariff for FY 2025-26. Further, BSP-TEED submitted that, as per the Commission's Order, the Petitioner has discontinued the usage of the term "Power Disconnected" from the affidavit taken from the consumers.

**Commission's View**

This issue raised by the objector is not relevant to the current Petition filed by BSP-TEED. Therefore, the Commission has not taken any view in this regard.

**Consumer Security Deposit**

**Objector's Submission**

Bhilai Steel City Chamber of Commerce submitted that 40 years ago, BSP-TEED initially established underground cables in the newly developed market areas and collected substantial security deposits and other charges from the consumers for this purpose. However, approximately 15 years ago, BSP-TEED has replaced underground cables with the overhead lines and again collected significant security deposits from the consumers for the same. BSP-TEED should justify the same. Furthermore, the objector submitted that the previously collected security deposits should either be adjusted against the future electricity bills or be refunded to the consumers.

**Petitioner's Reply**

As regards the wiring system and refund of security deposit amounts, BSP-TEED submitted that this issue is not relevant to the present Petition. Further, BSP-TEED submitted that the objector has made vague submissions without providing any documentary evidence in support of the same. Therefore, the same may not be considered while determining the Tariff for FY 2025-26.

**Commission's View**

This issue raised by the objector is not relevant to the current Petition filed by BSP-TEED. Therefore, the Commission has not taken any view in this regard.

**Authenticity of Data**

**Objector's Submission**

Confederation of All India Traders submitted that the data presented in the Petition are not authentic and warrants a third-party verification.

**Petitioner's Reply**

No reply has been submitted by the Petitioner on this issue.

**Commission's View:**

Based on the Accounts audited by Chartered Accountant, the Commission has carried out truing-up of FY 2023-24 and determined the Tariff for FY 2025-26 based on the applicable CSERC MYT Regulations, 2021.

# 3 TRUE-UP FOR FY 2023-24

### Background

BSP-TEED filed the Petition for approval of true-up of FY 2023-24 as per CSERC MYT Regulations, 2021.

The true-up for FY 2023-24 has been done in accordance with Regulation 5.7 of CSERC MYT Regulations, 2021, as reproduced below:

*"The distribution licensee shall file MYT petition by 30$^{th}$ November 2021 in accordance with Regulation 5.7 (a)(i)(ii). The yearly true-up petition shall be filed by 30$^{th}$ November of current year in accordance with Regulation 5.7(b) (ii)."*

Regulation 5.7(b) of the CSERC MYT Regulations, 2021 specifies as under:

*"(b) After first year of control period and onwards, the yearly true up petition shall comprise of:*

*i. ...*

*ii. For Distribution Wire and Retail Supply Business*

1. *The truing up petition for preceding year(s).*
2. *Revised power purchase quantum/cost (if any), with details thereof for the ensuing year.*
3. *Revenue from existing tariffs and charges and projected revenue for the ensuing year.*
4. *Application for re-determination of ARR for the ensuing year along-with retail tariff proposal."*

In accordance with the above Regulations, the Commission has undertaken true-up of ARR for FY 2023-24 on the basis of Audited Accounts of BSP-TEED.

In this Chapter, the Commission has analysed the true-up of all the elements of actual expenditure and revenue of BSP-TEED for FY 2023-24. The Commission has approved the sharing of gains and losses on account of controllable factors between BSP-TEED and its beneficiaries, in accordance with Regulation 13 of the CSERC MYT Regulations, 2021.

### Energy Sales

**BSP-TEED's submission**

Actual energy sales for FY 2023-24 as submitted by BSP-TEED, is given in the Table below:

**Table 3-1:Energy Sales for FY 2023-24 as submitted by BSP-TEED (MU)**

| Consumer Category | MYT Order | FY 2023-24 |
|---|---|---|
| LT-1: Domestic | 122.70 | 96.43 |
| LT-2: Non-Domestic | 29.70 | 25.44 |
| LT-3: Industry | 0.50 | 0.40 |
| LT-4: Public Utilities | 8.17 | 8.15 |
| LT-5: Temporary Supply | 0.04 | 0.03 |
| **Total LT** | **161.11** | **130.45** |
| HT-1: Residential | 0.13 | 0.136 |
| HT-2: Non-Residential and General Purpose | 13.18 | 9.01 |
| HT-3: Public Utilities | 11.60 | 10.71 |
| **Total HT** | **24.91** | **19.86** |
| **Total Sales** | **186.02** | **150.30** |

**Commission's View**

The Commission has approved the actual Energy Sales for FY 2023-24 based on the data submitted by BSP-TEED, as shown in the following table:

**Table 3-2: Approved Energy Sales for FY 2023-24 (MU)**

| Particulars | FY 2023-24 | | |
|---|---|---|---|
| | MYT Order | True-up Petition | Approved after True-up |
| **Consumer Category** | | | |
| LT-1: Domestic | 122.70 | 96.43 | 96.43 |
| LT-2: Non-Domestic | 29.70 | 25.44 | 25.44 |
| LT-3: Industry | 0.50 | 0.40 | 0.40 |
| LT-4: Public Utilities | 8.17 | 8.15 | 8.15 |
| LT-5: Temporary Supply | 0.04 | 0.03 | 0.03 |
| **Total LT** | **161.11** | **130.45** | **130.45** |
| HT-1: Residential | 0.13 | 0.14 | 0.14 |
| HT-2: Non-Residential and General Purpose | 13.18 | 9.01 | 9.01 |
| HT-3: Public Utilities | 11.60 | 10.71 | 10.71 |
| **Total HT** | **24.91** | **19.86** | **19.86** |
| **Total Sales** | **186.02** | **150.30** | **150.30** |

### Distribution Loss and Energy Balance

**BSP-TEED's submission**

The Petitioner submitted that Distribution Losses are within the approved target for FY 2023-24. The energy requirement for FY 2023-24 as submitted by BSP-TEED, is given in the Table below:

**Table 3-3: Energy Balance for FY 2023-24 as submitted by BSP-TEED (MU)**

| Sr. No. | Particulars | MYT Order | FY 2023-24 |
|---|---|---|---|
| 1 | LT Sales | 161.11 | 130.45 |
| 2 | HT Sales | 24.91 | 19.86 |
| 3 | Total Energy Sales | 186.02 | 150.30 |
| 4 | Overall Distribution losses (%) | 11.75% | 19.13% |
| 5 | Overall Distribution losses (MU) | 24.76 | 35.60 |
| **6** | **Total Energy Requirement** | **210.78** | **185.96** |

**Commission's View**

The Commission observed that the actual Distribution Loss submitted by the Petitioner for FY 2023-24 are much higher than the target Distribution losses approved by the Commission. In reply to the Commission's query in this regard, the Petitioner submitted that the steep increase in distribution losses is due to commercial losses and theft of electricity.

The Commission is of the view that the higher actual Distribution Losses cannot be allowed to be passed through, as sought by BSP-TEED, as the Distribution Licensees is required to maintain the Distribution Losses within the stipulated levels, which is one of the most important performance parameters for a Distribution Licensee. The Commission has hence, considered Distribution Losses of 11.75% in the true-up of FY 2023-24.

The Commission has accordingly, approved the energy requirement in the true-up for FY 2023-24 based on the actual energy sales and approved Distribution Losses, as shown in following table:

**Table 3-4: Approved Energy Balance for FY 2023-24 (MU)**

| Particulars | FY 2023-24 | | |
|---|---|---|---|
| | MYT Order | True-up Petition | Approved after True-up |
| LT Sales | 161.11 | 130.45 | 130.45 |
| HT Sales | 24.91 | 19.86 | 19.86 |
| Total Sales | 186.02 | 150.30 | 150.30 |
| **Distribution Losses (%)** | 11.75% | 19.13% | 11.75% |
| Distribution Losses | 24.76 | 35.60 | 20.01 |
| **Energy Requirement** | **210.78** | **185.96** | **170.32** |

As can be seen from the above Table, BSP-TEED's actual Distribution Losses for FY 2023-24 are higher than the Distribution Loss target approved by the Commission.

The CSERC MYT Regulations, 2021 specifies as under, as regards sharing of efficiency losses on account of under-achievement of Distribution Losses:

> *"13.2 The mechanism for sharing of aggregate net loss on account of under achievement in reference to the target set in tariff order for efficiency linked controllable items 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."*

Accordingly, the Commission has assessed the impact of under-achievement of Distribution Loss vis-à-vis the targeted Distribution Loss for FY 2023-24, and disallowed 2/3rd of the efficiency losses for FY 2023-24 on account of under-achievement of Distribution Losses, as shown in the Table below:

**Table 3-5: Sharing of Loss approved by the Commission on account of under-achievement of Distribution loss for FY 2023-24 (Rs Lakh)**

| **Particulars** | **FY 2023-24** |
|---|---|
| Energy Input (MU) | 185.96 |
| Actual Distribution Loss (%) | 19.13% |
| Targeted Dist. Loss (%) | 11.75% |
| **Under-achievement in Dist. Loss (%)** | 7.38% |
| Avg. Power Purchase Rate (Rs. /kWh) | 3.87 |

| Particulars | FY 2023-24 |
|---|---|
| MU shortfall | 13.72 |
| Under-achievement amount (Rs. Lakh) | 530.47 |
| **Amount to be adjusted in ARR (Rs. Lakh)** | **353.65** |

The above impact of under-achievement to be borne by BSP-TEED has been adjusted against the ARR of BSP-TEED for FY 2023-24.

### Power Purchase Cost

**BSP-TEED's submission**

The Power Purchase Cost for FY 2023-24 as submitted by BSP-TEED, is given in the Table below:

**Table 3-6: Power Purchase Cost as estimated by BSP-TEED for FY 2023-24 (Rs. Lakh)**

| Particulars | MYT Order | FY 2023-24 |
|---|---|---|
| **Quantum of Power Purchase (MU)** | | |
| NSPCL -PP3 | 205.56 | 185.96 |
| Short-Term Power | | - |
| Non-Solar RPO (PP1 and PP2) | | - |
| Solar | | - |
| **Total Quantum of Purchase** | **205.56** | **185.96** |
| **Power Purchase Cost (Rs. Lakh)** | | |
| NSPCL -PP3 | **7646.83** | 7814.00 |
| Non-Solar RPO | | - |
| Solar REC Purchase | 253.67 | - |
| **Total Power Purchase Cost (Rs. Lakh)** | **7900.50** | **7814.00** |
| **Avg. Power Purchase Rate (Rs. /kWh)** | | |
| NSPCL -PP3 | 3.71 | 4.20 |
| Non-Solar RPO | | - |
| **Total** | **3.84** | **4.20** |

In the MYT Order dated 7th May 2014, the Commission directed the Petitioner to purchase at least 25% of quantum from open market to reduce the power purchase cost for the consumers. The Petitioner submits that a dedicated corridor/transmission line with adequate metering arrangement for purchase of power from outside sources other than NSPCL requires huge investment. Due to the cyclical nature of the steel industry and recent recession experienced, such investments could not be taken up. Hence, no power was purchased from the open market during FY 2023-24. Further, to meet the directives, consistent efforts for transfer of responsibility of Power Distribution in the BSP-TEED township area is being taken up with CSPDCL.

The Commission in Regulation 4.3 of the CSERC (Renewable Purchase Obligation and REC Framework Implementation) (First Amendment) Regulations, 2022, has provided for the minimum percentage of renewable energy to be purchased by obligated entities. As per Regulation 4.3, the RPO target for obligated entities for FY 2023-24 is given in the Table below:

**Table 3-7: RPO target set for obligated entities for FY 2023-24**

| Wind | HPO | Others | Energy Storage Obligation (ESO) | Total |
|---|---|---|---|---|
| 1.60% | 0.66% | 24.81% | 1.00% | 28.07% |

The total energy sales of the Petitioner for FY 2023-24 is 150.30 MU and the power procured by BSP-TEED is mainly generated by co-generation sources, which qualifies for meeting its RPO obligations. Thus, there is no shortage in meeting RPO from the other renewable sources of power. A detailed table showing the status of RPO compliance done by Petitioner in accordance with the RPO compliance form submitted before CREDA and the Commission is given in the Table below:

**Table 3-8: RPO compliance**

| | |
|---|---|
| Wind power RPO Shortfall (MU) | 2.40 |
| Hydro power RPO shortfall (MU) | 0.99 |
| Other RPO shortfall (MU) | -4.90 |
| Energy storage system shortfall (MU) | 1.50 |

**Commission's View**

The Petitioner has submitted the source-wise break up of power purchase quantum from NSPCL PP3 in the Formats.

The Commission has verified the actual power purchase quantum and cost from the audited annual accounts. The Commission has considered the entire quantum of power purchase from NSPCL PP3, as proposed by BSP-TEED for meeting the projected energy requirement.

The purchase of power from NSPCL PP1 and PP2 has been considered as Nil, based on the Petitioner's submission. The Petitioner, in its reply to the Commission's query in this regard, submitted that the power purchase quantum from PP1, which is a cogeneration unit, was inadvertently mentioned as NIL. At present, up to 5 MW is being supplied by NSPCL PP1, with the balance being sourced from NSPCL PP3. However, BSP-TEED has failed to submit the details of quantum of purchase from NSPCL PP1. Therefore, for the purpose of tariff determination, the Commission has considered entire quantum of purchase from NSPCL PP3.

Further, it has been observed that BSP-TEED has claimed average power purchase rate of Rs. 4.20/kWh as compared to the average rate of Rs. 3.71/kWh approved in the MYT Order. Subsequently, in response to the Commission's query regarding the increase in average power purchase rate from Rs. 3.71/kWh to Rs. 4.20/kWh, BSP-TEED submitted that the cost of generation (i.e., variable cost) increased in FY 2023-24 due to rising coal prices and further, addition of taxes and duties, however, the same has been recovered from the consumers. BSP-TEED submitted that the overall cost of power purchase works out to Rs. 3.87/kWh after excluding the amount of taxes and duties.

The Commission has verified the actual power purchase cost as per the Audited Accounts. Accordingly, the power purchase quantum and cost approved by the Commission after true-up for FY 2023-24 is shown in the following Table:

**Table 3-9: Power Purchase Cost approved by the Commission for FY 2023-24 (Rs. Lakh)**

| Particulars | True-up Petition | Approved after True-up |
|---|---|---|
| **Quantum of Power Purchase (MU)** | | |
| NSPCL -PP3 | 185.96 | 185.96 |
| Non-Solar (PP1 & PP2) | - | - |
| **Total** | **185.96** | **185.96** |
| **Power Purchase Cost** | | |
| NSPCL -PP3 | 7814.00 | 7188.00 |
| Non-Solar (PP1 and PP2) | - | - |
| **Total** | **7814.00** | **7188.00** |
| **Avg. Power Purchase Rate (Rs./kWh)** | | |
| NSPCL -PP3 | 4.20 | 3.87 |
| Non-Solar (PP1 and PP2) | - | - |
| **Total** | **4.20** | **3.87** |

### Operation and Maintenance Expenses

**BSP-TEED's submission**

The Petitioner submitted that it has considered the actual O&M expenses based on the audited accounts. The actual O&M expenses for FY 2023-24 as submitted by the Petitioner is shown in the following table:

**Table 3-10: O&M Expenses for FY 2023-24 as submitted by BSP-TEED (Rs Lakh)**

| Sr. No. | Particulars | MYT Order | FY 2023-24 |
|---|---|---|---|
| 1 | Employee Expenses | 1572.77 | 1554.00 |
| 2 | A&G Expenses | 103.43 | 91.00 |
| 3 | R&M Expenses | 248.06 | 219.00 |
| **4** | **Total O&M Expenses** | **1924.27** | **1864.00** |

The Petitioner submitted that it had incurred lower actual O&M expenses as compared to normative O&M expenses approved by the Commission. The Petitioner requested that the sharing of gains and losses on account of the variation between the approved O&M expenses and the actual O&M expenses be shared between BSP-TEED and its consumers in equal proportion as per the Regulations. Therefore, the Petitioner requested the Commission to approve the actual O&M expenses as per the audited accounts of FY 2023-24.

**Commission's View**

The Commission had approved O&M expenses of Rs. 1924.27 Lakh in the MYT Order for FY 2023-24. As against this, the Petitioner has claimed actual O&M Expenses of Rs. 1864 Lakh for FY 2023-24 based on audited accounts.

**Actual O&M Expenses**

The Commission has verified the actual O&M expenses from the Audited Accounts 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 3-11: Actual O&M Expenses for FY 2023-24 as approved by the Commission**

| Particulars | MYT Order | True-up Petition | Approved after True-up |
|---|---|---|---|
| Employee Cost | 1572.77 | 1554.00 | 1554.00 |
| A&G Expenses | 103.43 | 91.00 | 42.00 |
| R&M Expenses | 248.06 | 219.00 | 219.00 |
| **Total O&M Expenses** | **1924.27** | **1864.00** | **1815.00** |

**Normative O&M Expenses**

The CSERC MYT Regulations, 2021 specify that at the time of true-up, the revised normative M&G expenses must be computed based on the actual inflation rate, and the sharing of gains and losses have to be done between actual M&G expenses and revised normative expenses, at the time of true-up.

Accordingly, the Commission has considered an escalation factor of 2.82% (40% weightage of WPI and 60% weightage of CPI) for calculating revised normative A&G expenses and an escalation factor of -0.74% % (100% WPI) for calculating revised normative R&M expenses for FY 2023-24. The base-year's O&M Expenses has been considered as approved in the final true-up for FY 2022-23 in the Order dated 24.06.2024.

The Commission observed that the Petitioner has not computed revised normative O&M expenses. In response to the query regarding the same, BSP-TEED has submitted the computation of the revised normative O&M Expenses.

The revised normative A&G expenses and R&M expenses approved in the true-up for FY 2023-24 are shown in the Table below:

**Table 3-12: Revised Normative M&G Expenses for FY 2023-24 as approved by the Commission (Rs. Lakh)**

| Particulars | Revised Submission | Approved after True-up |
|---|---|---|
| A&G Expenses | 194.60 | 107.62 |
| R&M Expenses | 177.14 | 257.04 |

As regards sharing of Gain and Loss, Regulation 13 of the MYT Tariff 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 2:1 or 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 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, Regulation 11 of the MYT Regulations, 2021 specifies as under:

***"11. Controllable and Un-Controllable Factors***

*11.1. For the purpose of this Regulation, 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;*

*(c) Judicial pronouncements;*

*(d) Fuel prices;*

*(e) Sales mix;*

*(f) quantum of Sales;*

*(g) Cost of power purchase;*

*(h) Cost on account of inflation;*

*(i)* ***Human Resource (HR) Expenses****;*

*(j) All Taxes, including Income Tax, cess and Statutory levies and*

*(k) Any other expenses as admitted by Commission.*

*…."*

In line with the above Regulations, the employee expenses are considered as uncontrollable expenses and therefore, the actual employee expenses approved in the truing-up of FY 2023-24 after due prudence check, are considered without any sharing of efficiency gains/losses.

As per the provisions in the Regulations for sharing of (gains)/losses of O&M expenses, the Commission has computed the efficiency gains/losses for FY 2023-24 on the basis of normative A&G expenses and R&M expenses, in accordance with the MYT Regulations, 2021, as shown in the following Table:

**Table 3-13: Approved Sharing of (gains)/losses in O&M Expenses for FY 2023-24 (Rs Lakh)**

| Particulars | Actual Expenses | Revised Normative | Efficiency (Gain)/Loss | Share of BSP-TEED | Share of Consumer |
|---|---|---|---|---|---|
| Employee Expenses | 1554.00 | 1554.00 | | | |
| A&G Expenses | 42.00 | 107.62 | (65.62) | (21.87) | (43.75) |
| R&M Expenses | 219.00 | 257.04 | (38.04) | (12.68) | (25.36) |
| **Total** | **1815.00** | **1918.66** | **(103.66)** | **(34.55)** | **(69.11)** |

The Commission approves the sharing of efficiency loss after true-up for FY 2023-24, as shown in the above Table.

### Capital Expenditure

#### BSP-TEED's submission

The Petitioner submitted that it has considered the actual capitalisation for FY 2023-24 as per audited accounts, as shown in the following table:

**Table 3-14: Capitalisation for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Sr. No. | Particulars | MYT Order | FY 2023-24 |
|---|---|---|---|
| 1 | Capitalisation | - | 304.00 |
| 2 | Funding arrangement | - | - |
| 3 | Equity | - | 91.20 |
| 4 | Debt | - | 212.80 |
| 5 | **Total Capitalisation** | **-** | **304.00** |

#### Commission's View

The Commission notes that the Petitioner has claimed capitalisation of Rs. 304 Lakh for FY 2023-24, while Nil capitalisation was approved for FY 2023-24 in the MYT Order. In response to the query regarding the same, the Petitioner submitted that in order to develop and upgrade its distribution network to ensure reduction in distribution losses and to enhance the safety of its equipment, it has infused capitalization of Rs. 304 Lakh in FY 2023-24.

The Commission observes that BSP-TEED has neither sought prior approval for the capital investments in the form of Capital Investment Plan (CIP), nor has it provided any details regarding the Capex Schemes on which the investment has been made and the tangible benefits from the same. While BSP-TEED has claimed Distribution Loss reduction as one of the objectives, the actual Distribution Losses in FY 2023-24 are much higher than the targeted Distribution Losses.

Hence, the Commission has not approved the capitalisation claimed by BSP-TEED based on the Audited Accounts.

The capitalisation and funding pattern approved by the Commission for FY 2023-24 are shown in the Table below:

**Table 3-15: Approved Capitalisation for FY 2023-24 (Rs Lakh)**

| Particulars | FY 2023-24 | | |
|---|---|---|---|
| | MYT Order | True-up Petition | Approved after True-up |
| **Capitalisation** | - | **304.00** | - |
| **Funding Arrangement** | | | |
| Equity | - | 91.20 | - |
| Debt | - | 212.80 | - |

**Depreciation**

**BSP-TEED's submission**

The Petitioner submitted that it has considered the closing GFA approved by the Commission for FY 2022-23 as the opening GFA for FY 2023-24. The Depreciation for FY 2023-24 as submitted by the Petitioner is shown in the following table:

**Table 3-16: GFA and Depreciation for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Sr. No. | Particular | MYT Order | FY 2023-24 |
|---|---|---|---|
| **1** | Opening GFA Balance | 1733.87 | 1728.00 |
| **2** | Additional GFA | - | 304.00 |
| **3** | Closing GFA | 1733.87 | 2032.00 |
| **4** | **Depreciation** | **48.31** | **50.00** |

**Commission's View**

The Commission has approved the depreciation in accordance with the MYT Regulations, 2021 and the approach adopted in the past Orders.

For computation of depreciation, 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. Further, the addition of GFA, i.e., capitalisation during the year, has been considered as Nil, as elaborated in the previous Section. The depreciation rate has been considered as 2.79% in accordance with the depreciation rate considered in the true-up for FY 2022-23. The depreciation approved by the Commission for FY 2023-24 after true-up is shown in the following Table:

**Table 3-17: Approved Depreciation for FY 2023-24 (Rs Lakh)**

| Particulars | MYT Order | True-up Petition | Approved after True-up |
|---|---|---|---|
| Opening GFA | 1733.87 | 1728.00 | 1727.98 |
| Addition of GFA | - | 304.00 | - |
| Closing GFA | 1733.87 | 2032.00 | 1727.98 |
| **Depreciation** | **48.31** | **50.00** | **48.14** |

### Interest on Loans

**BSP-TEED's submission**

The Petitioner submitted that it has considered the opening balance of normative loan for FY 2023-24 equal to the closing normative loan balance approved by the Commission for FY 2022-23. The capitalization during the year has been apportioned between debt and equity in the ratio of 70:30 in line with Regulation 17 of CSERC MYT Regulations, 2021. The Interest on loan for FY 2023-24 as submitted by the Petitioner is shown in the following table:

**Table 3-18: Interest on Loans for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Particulars | MYT Order | FY 2023-24 |
|---|---|---|
| Opening Net Normative Loan of the year | - | - |
| Addition of Normative loan during the year | - | 212.80 |
| Repayment of Normative loan during the year | - | 50.00 |
| Closing Net Normative Loan | - | 172.80 |
| Rate of Interest (%) | 11.00% | 11.00% |
| **Interest on Loan Capital** | **-** | **9.50** |

### Commission's View

The Commission observed that the Petitioner has incorrectly computed the interest on loan capital considering the incorrect closing balance for the year. In response to the query regarding the same, BSP-TEED has submitted the revised computation of Interest on Loan.

The Commission has approved interest on loan capital for FY 2023-24 as per Regulation 24 of the CSERC 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 as 70% of actual capitalisation during the year, which has been considered as Nil, as elaborated earlier. The allowable depreciation for the year has been considered as the normative repayment for the year. The interest rate has been considered as 8.80%, as submitted by BSP-TEED. Interest on the loan capital considered by the Commission after True-up for FY 2023-24 is shown in the following Table:

**Table 3-19: Approved Interest on Loan for FY 2023-24 (Rs Lakh)**

| Particulars | MYT Order | True-up Petition | Revised Submission | Approved after True-up |
|---|---|---|---|---|
| Opening Net Normative loan for the year | - | - | - | - |
| Addition of Normative loan during the year | - | 212.80 | 212.80 | - |
| Repayment of normative during the year | - | 50.00 | 50.00 | - |
| Closing Net Normative loan | - | 172.80 | 162.80 | - |
| Rate of Interest (%) | 11.00% | 11.00% | 8.80% | 8.80% |
| Interest Expense | **-** | **-** | **7.16** | **-** |
| Other interest and Finance Charges | - | - | 28.00 | - |
| **Interest on loan capital** | **-** | **9.50** | **35.16** | **-** |

### Interest on Consumer Security Deposit

### BSP-TEED's submission

The Petitioner submitted that it has considered the actual consumer security deposit (CSD) as per audited accounts for FY 2023-24. The rate of interest on CSD has been considered at 7% as approved by the Commission in the MYT Order. Interest on CSD has been computed on average balance during the year.

The Petition submitted that, although Regulation 24.10 of the MYT Regulations, 2021 does not permit the recovery of Interest on Consumer Security Deposit as part of the ARR, such expenses were incurred by the Petitioner. Given that Section 62 of the Act mandates the complete recovery of the expenses incurred by the Licensees, the Petitioner has requested the Commission to allow the same.

The Interest on CSD for FY 2023-24 as submitted by the Petitioner is shown in the following table:

**Table 3-20: Interest on CSD for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Sr. No | Particulars | MYT Order | FY 2023-24 |
|---|---|---|---|
| **1** | Opening Balance of CSD | - | 378.03 |
| **2** | Addition of CSD | - | 7.97 |
| **3** | Closing Balance of CSD | - | 386.00 |
| **4** | Rate of Interest (%) | - | 7.00% |
| **5** | **Interest on CSD** | **-** | **26.74** |

### Commission's View

The Commission has approved interest on CSD for FY 2023-24 as per the CSERC MYT Regulations, 2021, in accordance with which, the interest on CSD is not a pass-through expense. Accordingly, the interest on CSD approved by the Commission after true-up for FY 2023-24 is shown in the following Table:

**Table 3-21: Approved Interest on CSD for FY 2023-24 (Rs. Lakh)**

| Particulars | True-up Petition | Approved after True-up |
|---|---|---|
| Interest on CSD | 26.74 | 0.00 |

## Interest on Working Capital

### BSP-TEED's submission

The Petitioner submitted that it has calculated the working capital requirement as per norms specified in Regulations 26.1 (d) and 26.1 (e) for distribution wheeling business and retail supply business, respectively. Receivables for computation of working capital have been considered equal to 15 days of actual revenue billed as per the CSERC MYT Regulations, 2021. Rate of interest on working capital is considered as 10.95% for FY 2023-24 as per Regulation 26.4 of CSERC MYT Regulations, 2021. The computation of interest on working capital for FY 2023-24 as submitted by the Petitioner is shown in following table:

**Table 3-22: Interest on Working Capital for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Particulars | MYT Order | FY 2023-24 |
|---|---|---|
| O&M Expenses for 15 days | 79.08 | 77.67 |
| Maintenance Spares @20% of R&M Expenses | 70.30 | 62.00 |
| Receivables for 15 days | 840.03 | 332.01 |
| Less: Consumer security deposit | - | - |
| Working Capital Requirement | 989.41 | 471.68 |
| Rate of Interest (%) | 9.00% | 10.95% |
| **Interest on Working Capital** | **89.05** | **51.65** |

### Commission's View

The Commission observed that the Petitioner has incorrectly computed the working capital requirement, and thus, the Interest on Working Capital. In response to the Commission's query, the Petitioner has submitted the revised computation considering the revised normative O&M expenses instead of actual O&M expenses and the rate of Interest on Working Capital (IoWC) as the actual average sanctioned rate of interest for the year rather than linking the same to SBI 1-year MCLR.

The normative Interest on Working Capital (IoWC) has been computed in accordance with the CSERC MYT Regulations 2021 for FY 2023-24. The Commission has considered the revised normative O&M expenses for computing the working capital requirement. The receivables have been considered equivalent to 15 days of actual revenue billed. The actual sanctioned rate of interest of 8.80% has been considered for FY 2023-24, in accordance with the applicable CSERC MYT Regulations 2021.

The normative IoWC approved by the Commission after true-up for FY 2023-24 is shown in the following Table:

**Table 3-23: Approved Interest on Working Capital for FY 2023-24 (Rs. Lakh)**

| Particulars | MYT Order | True-up Petition | Revised Submission | Approved after True-up |
|---|---|---|---|---|
| O&M Expenses | 79.08 | 77.67 | 80.24 | 78.63 |
| Maintenance spares | 70.30 | 62.00 | 74.35 | 72.93 |
| Receivables | 840.03 | 332.01 | 332.01 | 305.42 |
| **Total Working Capital** | **989.41** | **471.68** | **486.60** | **456.99** |
| Rate of Interest | 9.00% | 10.95% | 8.80% | 8.80% |
| **Normative IoWC** | **89.05** | **51.65** | **42.82** | **40.21** |

### Provision for bad debts

**BSP-TEED's submission**

The Petitioner submitted that there are no bad or doubtful debts written off in FY 2023-24, as per audited accounts.

**Commission's View**

As submitted by BSP-TEED, the Commission has not considered any bad and doubtful debts written off for the purpose of true-up for FY 2023-24.

### Return on Equity

**BSP-TEED's submission**

The Petitioner submitted that it has considered the opening balance of normative equity for FY 2023-24 equal to the closing normative balance approved by the Commission for FY 2022-23. The Capitalisation for FY 2023-24 is Rs. 304 Lakh, therefore, equity addition of Rs. 91.20 Lakh has been considered during the year.

Regarding rate of return on equity investment, Regulation 23 of the CSERC MYT Regulations, 2021 allows for a return of 16.00%. Accordingly, a rate of 16.00% has been applied for calculating the normative return on equity. As no Tax has been paid for FY 2023-24, the same has been considered as Nil. Therefore, Return on Equity for FY 2023-24 is computed as shown in Table below:

**Table 3-24: Return on Equity for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Sr. No. | Particulars | MYT Order | FY 2023-24 |
|---|---|---|---|
| 1 | Opening Equity | 222.93 | 221.16 |
| 2 | Addition during the year | 0.00 | 91.20 |
| 3 | Closing Equity | 222.93 | 312.36 |
| 4 | **Return on Equity @16%** | **35.67** | **42.68** |

**Commission's View**

The RoE has been computed in accordance with the CSERC MYT Regulations 2021. The Commission has considered the opening equity for FY 2023-24 same as the closing equity approved in the true-up for FY 2022-23. The addition of equity has been considered as Nil because no additional capitalisation has been considered during the year.

Regarding rate of return on equity investment, Regulation 23 of the MYT Regulations, 2021 allows for a return of 16.00%. Accordingly, a rate of 16.00% has been applied for calculating the normative return on equity. As no Tax has been paid for FY 2023-24, the same has been considered as Nil. Therefore, Return on Equity for FY 2023-24 is computed as shown in Table below:

**Table 3-25: Approved Return on Equity for FY 2023-24 (Rs Lakh)**

| Particulars | MYT Order | True-up Petition | Approved |
|---|---|---|---|
| Opening Equity | 222.93 | 221.16 | 221.16 |
| Addition during the year | - | 91.20 | - |
| Closing Equity | 222.93 | 312.36 | 221.16 |
| Rate of Return on Equity | 16.00% | 16.00% | 16.00% |
| **Return on Equity** | **35.67** | **42.68** | **35.39** |

**Non-Tariff Income**

**BSP-TEED's submission**

The Non-Tariff Income submitted by the Petitioner for FY 2023-24 is shown in the following table:

**Table 3-26: Non-Tariff Income for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Particulars | MYT Order | FY 2023-24 |
|---|---|---|
| Non-tariff Income | 100.32 | 129.00 |

**Commission's View**

The actual Non-Tariff Income in FY 2023-24 has been approved by the Commission based on the audited accounts, as shown below:

**Table 3-27: Approved Non-Tariff Income for FY 2023-24 (Rs Lakh)**

| Particulars | FY 2023-24 | | |
|---|---|---|---|
| | MYT Order | True-up Petition | Approved after True-up |
| Non-Tariff Income | 100.32 | 129.00 | 129.00 |

**Revenue from Sale of Electricity**

**BSP-TEED's submission**

The Petitioner submitted the revenue from sale of electricity based on the audited accounts for FY 2023-24 as shown in the following table:

**Table 3-28:Revenue from sale of electricity for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Particulars | FY 2023-24 |
|---|---|
| Revenue from sale of electricity | 8079.00 |

**Commission's View**

The Commission has approved the actual revenue from sale of electricity for FY 2023-24 based on the audited accounts, excluding duty and Cess, as shown in the following table.

**Table 3-29:Approved Revenue from sale of electricity for FY 2023-24 (Rs. Lakh)**

| Particulars | FY 2023-24 | |
|---|---|---|
| | True-up Petition | Approved after True-up |
| Revenue from sale of electricity | 8079 | 7452.25 |

**Aggregate Revenue Requirement for FY 2023-24**

**BSP-TEED's submission**

The ARR for FY 2023-24 as submitted by BSP-TEED, is given in the Table below:

**Table 3-30:ARR for FY 2023-24 as submitted by BSP-TEED (Rs. Lakh)**

| Sl. | Particulars | MYT Order | True-up Petition | Revised Submission |
|---|---|---|---|---|
| 1 | Power Purchase Cost | 8083.41 | 7814.00 | 7814.00 |
| 2 | O&M Expenses | 1924.27 | 1864.00 | 1925.74 |
| 3 | Depreciation | 48.31 | 50.00 | 50.00 |
| 4 | Interest on Loan | - | 9.50 | 35.16 |
| 5 | Interest on Security Deposit | - | 26.74 | 26.74 |
| 6 | Interest on Working Capital Requirement | 89.05 | 51.65 | 42.82 |
| 7 | Return on Equity | 35.67 | 42.68 | 42.68 |
| 8 | Provision for Bad & Doubtful Debt | 0.00 | 0.00 | 0.00 |
| 9 | Less: Non-Tariff Income | 100.32 | 129.00 | 129.00 |
| **10** | **Net ARR** | **10080.38** | **9729.57** | **9937.14** |
| 11 | Less: Revenue from sale of electricity | | 8079.00 | 8079.00 |
| **12** | **Revenue Gap/(Surplus)** | | **(1650.57)** | **1858.14** |

**Commission's View**

The Commission observed that the Petitioner has considered the interest on loan, IoWC incorrectly in the ARR Summary table, as against the interest expense actually claimed in the Petition. Also, the Petitioner has indicated Revenue Surplus for FY 2023-24 in the ARR Summary table, though the Petitioner has actually claimed Revenue Gap. The summary of the ARR approved by the Commission after true-up for BSP-TEED for FY 2023-24 is given in the Table below:

**Table 3-31: Approved ARR for FY 2023-24 (Rs. Lakh)**

| Particulars | MYT Order | True-up Petition | Revised Submission | Approved after True-up |
|---|---|---|---|---|
| Power Purchase Cost | 8083.41 | 7814.00 | 7814.00 | 7188.00 |
| O&M Expenses | 1924.27 | 1864.00 | 1925.74 | 1918.66 |
| Depreciation | 48.31 | 50.00 | 50.00 | 48.14 |
| Interest on Loan | - | 9.50 | 35.16 | - |
| Interest on Security Deposit | - | 26.74 | 26.74 | - |
| Interest on Working Capital Requirement | 89.05 | 51.65 | 42.82 | 40.21 |
| Return on Equity | 35.67 | 42.68 | 42.68 | 35.39 |
| Provision for Bad & Doubtful Debts | - | - | - | - |
| (Gain)/Loss on sharing of O&M expenses | | | | (69.11) |
| Less: Share of loss on account of higher distribution losses | | | | 353.65 |
| Less: Non-Tariff Income | 100.32 | 129.00 | 129.00 | 129.00 |
| **Net ARR** | **10080.38** | **9729.57** | **9937.14** | **8678.65** |
| Less: Revenue from Sale of Power | | 8079 | 8079 | 7452.25 |
| **Revenue Gap/(Surplus)** | | **(1650.57)** | **1858.14** | **1226.39** |

**Recovery of Revenue Gap for FY 2023-24**

**BSP-TEED's submission**

The Petitioner proposed to recover the above computed Revenue Gap for FY 2023-24 from the consumers through the tariff to be approved for FY 2025-26.

**Commission's View**

The Commission observes that in the original MYT Petition for FY 2022-23 to FY 2024-25, the Petitioner had submitted that it would absorb any Revenue Gap arising due to shortfall in revenue vis-à-vis the revenue requirement. The Commission had accordingly approved the tariff for FY 2023-24.

In view of the above background, it is not justified for the Petitioner to now seek pass-through of the Revenue Gap for FY 2023-24 from the consumers. Hence, though the Commission has computed the Revenue Gap after true-up for FY 2023-24 in the above Section, the Commission has not considered the same in the Cumulative Gap, while determining the ARR and tariff for FY 2025-26, and BSP-TEED has to absorb the Revenue Gap, as per its original commitment.

# 4 ARR FOR FY 2025-26

**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 CSERC MYT Regulations, 2021.

Accordingly, BSP-TEED filed the present Petition for determination of ARR and Tariff for FY 2025-26 in accordance with CSERC MYT Regulations, 2021.

Accordingly, in the present Order, the Commission has determined the ARR of BSP-TEED for FY 2025-26 in accordance with the CSERC MYT Regulations, 2021, and on the basis of the submissions made by BSP-TEED.

**Energy Sales**

**BSP-TEED's submission**

The Petitioner submitted that the actual sales for the period from FY 2021-22 to FY 2023-24 have been considered for sales projections. For projecting the category-wise energy sales for FY 2025-26, the Petitioner has considered the past growth trends in each consumer category as explained below:

- BSP-TEED has adopted trend analysis method for projecting the sales of domestic, non-domestic, industrial, and other categories. This method assumes that the underlying factors, which drive the demand for electricity, are expected to follow the same trend as in the past.
- As per this method, Compounded Annual Growth Rates (CAGRs) were calculated from the past actual sales figures (FY 2021-22 to FY 2023-24) for each category, corresponding to different period of time, along with the year-on-year (YoY) growth.
- Subject to the specific characteristics of each consumer category, appropriate CAGR has been considered as the basis of sales projection for that category.

The actual sales for various categories considered for the computation of CAGR, is provided in the following table:

**Table 4-1: Actual sales in FY 2021-22, FY 2022-23 and FY 2023-24 (MU)**

| Sr. No. | Consumer Category | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|---|---|---|---|
| 1 | LT-1: Domestic | 102.95 | 97.47 | 96.43 |
| 2 | LT-2: Non-Domestic | 23.13 | 24.53 | 25.44 |
| 3 | LT-3: Industry | 0.43 | 0.39 | 0.39 |

| Sr. No. | Consumer Category | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|---|---|---|---|
| 4 | LT-4: Public Utilities | 7.58 | 7.64 | 8.15 |
| 5 | LT-5: Temporary Supply | 0.02 | 0.03 | 0.03 |
| 6 | HT-1: Residential | 0.12 | 0.12 | 0.14 |
| 7 | HT-2: Non-Residential and General Purpose | 9.54 | 9.42 | 9.01 |
| 8 | HT-3: Public Utilities | 10.71 | 10.71 | 10.71 |
| | **Total Sales** | **154.48** | **150.31** | **150.30** |

The Petitioner submitted that although the CAGR trend for the last three years is negative, it is only due to the promotion of energy efficient equipment system within the township area and attrition by retirement of employees. However, in FY 2025-26, the Petitioner expects an increase in number of consumers in the form of its employees and other establishments due to which the sales of the Petitioner are expected to increase in contrast to preceding years.

The Petitioner has projected the sales for its various consumer categories considering the estimated growth rate depending on increase in population and demand in the distribution area of the Petitioner and the same is provided in the table below:

**Table 4-2: Energy Sales for FY 2025-26 as projected by BSP-TEED (MU)**

| Consumer Category | FY 2025-26 |
|---|---|
| LT-1: Domestic | 107.22 |
| LT-2: Non-Domestic | 27.95 |
| LT-3: Industry | 0.43 |
| LT-4: Public Utilities | 8.46 |
| LT-5: Temporary Supply | 0.05 |
| **Total LT** | **144.11** |
| HT-1: Residential | 0.13 |
| HT-2: Non-Residential and General Purpose | 10.36 |
| HT-3: Public Utilities | 11.78 |
| **Total HT** | **22.27** |
| **Total Sales** | **166.39** |

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**Commission's View**

The Commission observed that the Petitioner has estimated the energy sales (MU) for FY 2025-26 by escalating the approved energy sales for FY 2024-25 in the Order dated 24 June 2024 by 10% across all the consumer categories.

For the projection of energy sales, the Commission has adopted the trend analysis method, wherein the energy sales are projected based on CAGR of past periods. The Commission has sought the details of actual energy sales (MU) for FY 2024-25. In response, the Petitioner has submitted the energy sales (MU) for the first 9 months of FY 2024-25, i.e., from April 2024 to December 2024. Based on submission made by the Petitioner, the Commission has estimated the sales for FY 2024-25. Further, the Commission has computed the CAGR for different periods for each consumer category based on the actual sales for the period from FY 2017-18 to FY 2023-24. The Commission, after analysing the historic growth trends in each consumer category, has forecasted the sales for that category. The category-wise CAGR considered by the Commission is shown in the Table below:

**Table 4-3: CAGR considered by the Commission for projecting FY 2025-26 sales**

| Consumer Category | CAGR | Basis of Growth Rates |
|---|---|---|
| LT-1: Domestic | 0.00% | No Growth |
| LT-2: Non-Domestic | 4.87% | 2 Year CAGR |
| LT-3: Industry | 0.00% | No Growth |
| LT-4: Public Utilities | 3.68% | 2 Year CAGR |
| LT-5: Temporary Supply | 22.88% | 2 Year CAGR |
| HT-1: Residential | 6.69% | 2 Year CAGR |
| HT-2: Non-Residential and General Purpose | 0.00% | No Growth |
| HT-3: Public Utilities | 0.00% | No Growth |

As can be seen, for few of the categories, Nil growth rate has been considered, on account of declining trend in sales.

On the basis of the above computed CAGR, the Commission has projected the energy sales for FY 2025-26 considering the estimated sales for FY 2024-25 as base year sales. The energy sales approved by the Commission for FY 2025-26 is shown in the following Table:

**Table 4-4: Energy Sales for FY 2025-26 as approved by the Commission (MU)**

| Consumer Category | Petition | Approved |
|---|---|---|
| LT-1: Domestic | 107.22 | 107.87 |
| LT-2: Non-Domestic | 27.95 | 29.41 |
| LT-3: Industry | 0.43 | 0.44 |
| LT-4: Public Utilities | 8.46 | 8.34 |
| LT-5: Temporary Supply | 0.06 | 0.03 |
| **Total LV** | **144.11** | **146.09** |
| HT-1: Residential | 0.13 | 0.17 |
| HT-2: Non-Residential and General Purpose | 10.36 | 9.43 |
| HT-3: Public Utilities | 11.78 | 10.71 |
| **Total HV** | **22.28** | **20.31** |
| **Total Sales** | **166.39** | **166.40** |

## Distribution Loss and Energy Balance

### BSP-TEED's submission

The Petitioner has submitted its computation of Energy Balance based on the projected energy sales of FY 2025-26. The Petitioner submitted that the Commission has approved distribution loss of 11.50% for FY 2024-25 in the MYT Order.

The Petitioner submitted that through its multi-pronged efforts, it expects distribution losses of 15% in FY 2025-26. The Petitioner submitted that further reduction of distribution losses from its current levels will require significant expenditure and effort. Further, the Petitioner has not been passing on the Revenue Gap to the consumer and has absorbed the entire cost towards reduction of distribution loss. Therefore, it would be not prudent to reduce the distribution loss target for FY 2025-26.

The total energy requirement for FY 2025-26 as computed by the Petitioner is shown in the following table:

**Table 4-5: Energy Balance for FY 2025-26 projected by BSP-TEED (MU)**

| Sr. No | Particulars | FY 2025-26 |
|---|---|---|
| 1 | Total Energy Sales | 166.39 |
| 2 | Distribution Losses (%) | 15% |
| 3 | Distribution Loss | 29.36 |
| 4 | **Total Energy Requirement** | **195.75** |

### Commission's View

The Commission notes that the Petitioner has projected the distribution loss of 15% for FY 2025-26. However, the Commission is of the opinion that BSP-TEED has historically achieved lower distribution losses of 12.50% and 12.27% for FY 2022-23 and FY 2021-22, respectively. In light of this, BSP-TEED's assertion that a loss lower than 15% is unachievable is not justified. Therefore, the Commission has approved the distribution loss of 11.50% for FY 2025-26, consistent with the level approved for FY 2024-25 in the MYT Order.

After taking into account the projected Energy Sales and approved Distribution Loss, the Energy Balance approved by the Commission for FY 2025-26 is given in the Table below:

**Table 4-6: Energy Balance approved by the Commission for FY 2025-26 (MU)**

| Particulars | Petitioner | Approved |
|---|---|---|
| LV Sales | 144.11 | 146.09 |
| HV Sales | 22.28 | 20.31 |
| **Total Energy Sales** | **166.39** | **166.40** |
| Overall Distribution Loss (%) | 15.00% | 11.50% |
| Overall Distribution Loss | 29.36 | 21.62 |
| **Total Energy Requirement** | **195.75** | **188.02** |

**Power Purchase Quantum and Cost**

**BSP-TEED's submission**

The Petitioner submitted that in order to meet the power requirement for supply to its consumers in Bhilai Township, the Petitioner has entered into long-term Power Supply Agreement (PSA) with BSP-PSD (BSP-Power Supply Department). At later stage, an amendment was executed for supply of power from NSPCL PP3, PP2 and BSP-PPI. Accordingly, the Petitioner submitted that it has planned to meet the power purchase requirement for FY 2025-26 by purchasing power from NSPCL PP3 and NSPCL PP2.

The Petitioner submitted that the power imported through power supply agreement is already attributed through co-generation power at zero cost to the extent of RPO. Hence, BSP TEED is fulfilling its RPO accordingly. Non-Solar RPO will be met through power purchase from NSPCL. Hence, no separate cost is considered for compliance of RPO. The average cost of power purchase from NSPCL for FY 2025-26 is considered to recover the cost of supply being borne by BSP-TEED in supplying power to its various consumers, as shown in the Table below:

**Table 4-7: Power Purchase Cost and Quantum for FY 2025-26 projected by BSP-TEED (Rs. Lakh)**

| Sr. No. | Particulars | FY 2025-26 |
|---|---|---|
| | **Quantum of Power Purchase (MU)** | |
| 1 | NSPCL-PP3 | 195.74 |
| 2 | Non-Solar RPO (PP1 & PP2) | - |
| 3 | **Total** | **195.74** |
| | **Power Purchase Cost (Rs Lakh)** | |
| 4 | NSPCL-PP3 | |
| 5 | Non-Solar RPO (PP1 & PP2) | |
| 5 | Solar REC Purchase | |
| 6 | **Total** | **8808.30** |

**Commission's View**

The Commission has considered the entire quantum of power purchase from NSPCL PP3, as proposed by BSP-TEED for meeting the projected energy requirement. The purchase of power from NSPCL PP1 and PP2 has been considered as Nil, based on the Petitioner's submission. In this regard, the Petitioner, in response to the query sought by the Commission, submitted that the power purchase quantum from PP1, which is a cogeneration unit, was inadvertently mentioned as NIL. BSP-TEED clarified that it will procure power from both PP1 and PP3 to meet its Renewable Purchase Obligation (RPO) target for FY 2025-26. At present, up to 5 MW is being supplied by NSPCL PP1, with the balance being sourced from NSPCL PP3. A similar arrangement is proposed to continue in FY 2025-26 to ensure RPO compliance. However, BSP-TEED has failed to submit the details of quantum from NSPCL PP1 despite asking for the same. Therefore, for the purpose of tariff determination the Commission has considered entire quantum from NSPCL PP3.

Further, it has been observed that BSP-TEED has escalated the average power purchase cost from Rs. 4.20/kWh as claimed in FY 2023-24 to Rs. 4.50/kWh. Subsequently, in response to the query raised by the Commission regarding the increase in average power purchase cost from Rs. 4.20/kWh to Rs. 4.50/kWh, BSP-TEED submitted that the cost of generation (i.e., variable cost) is expected to increase in FY 2025-26 due to rising coal prices and other factors impacting power generation. Purchase of Solar RECs has not been considered at this stage, and shall be considered based on actuals, at the time of true-up.

The overall cost of power purchase has been considered at the same level as approved by the Commission for FY 2023-24, i.e., Rs. 3.87/kWh after excluding Duty and Cess.

In view of the above, the power purchase quantum and cost approved by the Commission for FY 2025-26 is shown in the following Table:

**Table 4-8: Approved Power Purchase Cost for FY 2025-26 (Rs Lakh)**

| Particulars | Petition | Approved |
|---|---|---|
| **Quantum of Power Purchase (MU)** | | |
| NSPCL-PP3 | 195.74 | 188.02 |
| Non-Solar RPO (PP1 & PP2) | | |
| **Total** | **195.74** | **188.02** |
| **Power Purchase Cost (Rs Lakh)** | | |
| NSPCL-PP3 | 8808.30 | 7268.01 |
| Non-Solar RPO (PP1 & PP2) | | - |
| Solar REC Purchase | | 0.00 |
| **Total** | **8808.30** | **7267.60** |
| **Average Power Purchase Rate (Rs / kWh)** | | |

| Particulars | Petition | Approved |
|---|---|---|
| NSPCL-PP3 | 4.50 | 3.87 |
| Non-Solar RPO (PP1 & PP2) | - | - |
| **Total** | **4.50** | **3.87** |

Further, as per Regulation 4.3 of the Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) (First Amendment) Regulations, 2022, the RPO target for FY 2025-26 is as follows:

**Table 4-9: RPO Target set for obligated entities for FY 2025-26**

| Wind | HPO | Others | Energy Storage Obligation (ESO) | Total |
|---|---|---|---|---|
| 3.36% | 1.48% | 28.17% | 2.00% | 35.01% |

BSP-TEED must ensure that the RPO target for FY 2025-26 is met.

### Operation and Maintenance Expenses

#### BSP-TEED's submission

The Petitioner submitted that it has claimed O&M expenses in accordance with Clause 83.4 of the CSERC MYT Regulations, 2021 for FY 2025-26.

To project normative O&M expenses for FY 2025-26, Petitioner has followed the following methodology:

a) The actual O&M expenses for the FY 2023-24 arrived in the Petition are taken as base figures to determine the O&M expenses for FY 2024-25.

b) The O&M expenses derived for FY 2024-25 are then escalated to arrive at the O&M expenses for FY 2025-26.

**Table 4-10: O&M Expenses for FY 2025-26 submitted by BSP-TEED (Rs Lakh)**

| Sr. No. | Particulars | FY 2025-26 |
|---|---|---|
| 1 | Employee Expenses | 1739.00 |
| 2 | A&G Expenses | 101.00 |
| 3 | R&M Expenses | 230.00 |
| 4 | **Total O&M Expenses** | **2070.00** |

#### 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 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 4-11: 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 4-12: Approved O&M expenses for FY 2025-26 (Rs. Lakh)**

| Particulars | Petition | Approved |
|---|---|---|
| Employee Expenses | 1739.00 | 1738.97 |
| A&G Expenses | 101.00 | 119.65 |
| R&M Expenses | 230.00 | 282.99 |
| **Total O&M Expenses** | **2070.00** | **2141.60** |

### Capital Expenditure

#### BSP-TEED's submission

The Petitioner has considered normative debt: equity ratio of 70:30 for capitalisation envisaged in FY 2025-26, as shown in the following table:

**Table 4-13: Capitalisation for FY 2025-26 as projected by BSP-TEED (Rs. Lakh)**

| Sr. No. | Particulars | FY 2025-26 |
|---|---|---|
| 1 | **Capitalisation** | **105.00** |
| 2 | Funding arrangement | - |
| 3 | Equity | 31.50 |
| 4 | Debt | 73.50 |
| 5 | **Total Capitalisation** | **105.00** |

#### Commission's View

BSP-TEED has not filed the Capital Investment Plan (CIP) for FY 2025-26, hence, Nil capitalisation has been approved for FY 2025-26, in line with the approach adopted in the MYT Order. The Commission maintains that any future claims towards capital expenditure and corresponding asset capitalisation must be supported by a duly filed CIP and subject to prudence check.

### Depreciation

#### BSP-TEED's submission

The Petitioner submitted that it has considered the closing GFA of previous year as the opening GFA for FY 2025-26. As the provisional additional capitalisation in FY 2024-25 is Nil, opening GFA of FY 2024-25 is equal to opening GFA of FY 2025-26. The Depreciation for FY 2025-26 as submitted by the Petitioner is shown in the following table:

**Table 4-14: GFA and Depreciation for FY 2025-26 as projected by BSP-TEED (Rs. Lakh)**

| Sr. No. | Particulars | FY 2025-26 |
|---|---|---|
| 1 | Opening GFA Balance | 1733.87 |
| 2 | Additional GFA | 105.00 |
| 3 | Closing GFA | 1838.87 |
| **4** | **Depreciation** | **51.57** |

**Commission's View**

The Commission observed that the Petitioner has considered the opening GFA for FY 2025-26 incorrectly for computation of depreciation. In response to the query raised by the Commission, BSP-TEED submitted the revised computation of depreciation.

The Commission has approved the depreciation in accordance with the CSERC 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 Capitalisation during FY 2024-25 has been considered as Nil. The closing GFA for FY 2024-25 have been considered as the opening GFA for FY 2025-26. The depreciation rate of 2.79% considered for computation of deprecation for FY 2023-24 has been considered for FY 2025-26. The depreciation approved for FY 2025-26 is shown in the Table below:

**Table 4-15: Approved Depreciation for FY 2025-26 (Rs Lakh)**

| Particulars | Original Petition | Revised Submission | Approved |
|---|---|---|---|
| Opening GFA | 1733.87 | 2032.00 | 1727.98 |
| Addition of GFA | 105.00 | 105.00 | - |
| Closing GFA | 1838.87 | 2137.00 | 1727.98 |
| **Depreciation** | **51.57** | **51.57** | **48.14** |

**Interest on Loans**

**BSP-TEED's submission**

The Petitioner submitted that the Opening normative debt for FY 2025-26 has been considered equal to the expected closing normative debt for FY 2024-25. Since, closing normative debt for FY 2024-25 is not yet determined by the Commission and the Commission in previous Tariff Orders for BSP-TEED has not determined any opening normative loan/closing normative loan/debt for FY 2024-25, the Petitioner has relied on the value of the normative debt for FY 2023-24 as arrived at in the present petition to determine the relevant components of tariff for FY 2025-26. Hence, closing normative debt for FY 2023-24 is considered as opening normative debt for FY 2024-25. Addition of normative debt for FY 2025-26 is considered as 70% of capitalisation estimated for FY 2025-26. Repayment during FY 2025-26 is considered equal to depreciation. The Interest on loan for FY 2025-26 as submitted by the Petitioner is shown in the following table:

**Table 4-16: Interest on Loans for FY 2025-26 as projected by BSP-TEED (Rs. Lakh)**

| Particulars | FY 2025-26 |
|---|---|
| Opening Net Normative Loan of the year | 122.02 |
| Addition of Normative loan during the year | 73.50 |
| Repayment of Normative loan during the year | 51.57 |
| Closing Net Normative Loan | 143.95 |
| Rate of Interest (%) | 11.00% |
| **Interest on Loan Capital** | **14.63** |

**Commission's View**

The Commission has approved interest on loan capital for FY 2025-26 as per Regulation 24 of the CSERC 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, which is nil. 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, which is also Nil, as discussed in the earlier section of this Order. The repayment has been considered equal to 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 4-17: Approved Interest on Loan for FY 2025-26 (Rs Lakh)**

| Particulars | Petition | Approved |
|---|---|---|
| Opening Net Normative loan for the year | 122.02 | - |
| Addition of Normative loan during the year | 73.50 | - |
| Repayment of normative during the year | 51.57 | - |
| Closing Net Normative loan | 143.95 | - |
| Rate of Interest (%) | 11.00% | 8.80% |
| **Interest on loan capital** | **14.63** | **-** |

## Interest on Working Capital

**BSP-TEED's submission**

The Petitioner submitted that it has calculated working capital requirement as per norms specified in Regulations 26 of the CSERC MYT Regulations, 2021. Receivables for computation of working capital have been considered equal to 15 days of revenue from sale of electricity at prevailing tariff within the State. Rate of interest on working capital is considered as 10.95% for FY 2025-26 as per Regulation 26.4 of the CSERC MYT Regulations, 2021. The computation of interest on working capital for FY 2025-26 as submitted by the Petitioner is shown in the following table:

**Table 4-18: Interest on Working Capital for FY 2025-26 as projected by BSP-TEED (Rs. Lakh)**

| Particulars | FY 2025-26 |
|---|---|
| O&M Expenses for 15 days | 85.06 |
| Maintenance Spares @20% of R&M Expenses | 66.20 |
| Receivables for 15 days | 388.38 |
| Less: Consumer security deposit | - |
| Working Capital Requirement | 539.64 |
| Rate of Interest (%) | 10.95% |
| **Interest on Working Capital** | **59.09** |

**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 net ARR approved for FY 2025-26.

The interest rate has been considered as per Regulation 26.4 of the CSERC 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 Interest on Working Capital approved for FY 2025-26 is shown in the Table below:

**Table 4-19: Approved Interest on Working Capital for FY 2025-26 (Rs. Lakh)**

| Particulars | Petition | Approved |
|---|---|---|
| O&M Expenses | 85.06 | 88.01 |
| Maintenance spares | 66.20 | 80.53 |
| Receivables | 388.38 | 387.31 |
| **Total Working Capital** | 539.64 | 555.85 |
| Rate of Interest | 10.95% | 10.95% |
| **Normative IoWC** | **59.09** | **60.87** |

### Provision for bad debts

**BSP-TEED's submission**

The Petitioner has not proposed any provision for bad or doubtful debts for FY 2025-26.

**Commission's View**

As submitted by BSP-TEED, the Commission has not considered any provision for bad and doubtful debts for FY 2025-26.

### Return on Equity

**BSP-TEED's submission**

The Petitioner submitted that the closing equity for FY 2024-25 as approved in the ARR for FY 2024-25 in the Order in Petition No. 12 of 2022 has been considered as the Opening Equity for FY 2025-26. The addition of Equity for FY 2025-26 has been considered as 30%

of estimated capitalisation for the year. The Income Tax payable has been considered as Nil, hence, the RoE has not been grossed up.

Return on Equity for FY 2025-26 as submitted by the Petitioner is shown in the following table:

**Table 4-20: Return on Equity for FY 2025-26 as projected by BSP-TEED (Rs. Lakh)**

| Sr. No. | Particulars | FY 2025-26 |
|---|---|---|
| 1 | Opening Equity | 222.93 |
| 2 | Addition during the year | 31.50 |
| 3 | Closing Equity | 254.43 |
| 4 | **Return on Equity @16%** | **38.19** |

**Commission's View**

The Commission observed that the Petitioner has incorrectly considered the opening balance of equity. In response to the Commission's query, the Petitioner submitted the revised computation of Return on Equity for FY 2025-26.

The Return on Equity for FY 2025-26 has been computed in accordance with the CSERC MYT Regulations, 2021. 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 equivalent to 30% of the capitalisation approved for FY 2024-25, which is Nil. The closing equity for FY 2024-25 has been considered as the opening equity for FY 2025-26. The equity addition for FY 2025-26 has been considered based on equity component towards the approved capitalisation for FY 2025-26, which is Nil, as discussed in the earlier Section of this Order.

The rate of RoE has not been grossed up with the MAT rate as BSP-TEED 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, BSP-TEED 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 FY 2025-26 is shown in the Table below:

**Table 4-21: Approved Return on Equity for FY 2025-26 (Rs Lakh)**

| Particulars | Original Petition | Revised Submission | Approved |
|---|---|---|---|
| Opening Equity | 222.93 | 258.60 | 221.16 |
| Addition during the year | 31.50 | 31.50 | - |
| Closing Equity | 254.43 | 290.10 | 221.16 |
| Rate of Return on Equity | 16.00% | 16.00% | 16.00% |
| **Return on Equity** | **38.19** | **46.42** | **35.39** |

## Non-Tariff Income

### BSP-TEED's submission

The Petitioner submitted that it has considered the Non-Tariff Income for FY 2025-26 at the same level as claimed in the true-up Petition for FY 2023-24, as shown in the following table:

**Table 4-22: Non-Tariff Income for FY 2025-26 as projected by BSP-TEED (Rs. Lakh)**

| Particulars | FY 2025-26 |
|---|---|
| Non-tariff Income | 129.00 |

### Commission's View

The Commission has approved the Non-Tariff Income for FY 2025-26, at the same level as claimed by the Petitioner, as shown below:

**Table 4-23: Approved Non-Tariff Income for FY 2025-26 (Rs. Lakh)**

| Particulars | Petition | Approved |
|---|---|---|
| Non-Tariff Income | 129.00 | 129.00 |

## Aggregate Revenue Requirement for FY 2025-26

### BSP-TEED's submission

The ARR for FY 2025-26 as projected by BSP-TEED, is given in the Table below:

**Table 4-24: ARR submitted by BSP-TEED for FY 2025-26 (Rs. Lakh)**

| Sr. No. | Particulars | Petition |
|---|---|---|
| 1 | Power Purchase Cost | 8808.30 |
| 2 | O&M Expenses | 2070.00 |
| 3 | Depreciation | 51.57 |

| Sr. No. | Particulars | Petition |
|---|---|---|
| 4 | Interest on Loan | 14.63 |
| 6 | Interest on Working Capital Requirement | 59.09 |
| 7 | Return on Equity | 38.19 |
| 8 | Provision for Bad & Doubtful Debt | - |
| 9 | Less: Non-Tariff Income | 129.00 |
| **10** | **Net ARR** | **10912.78** |
| 11 | Less: Revenue from sale of electricity | 9450.70 |
| **12** | **Revenue Gap/(Surplus)** | **1462.08** |

**Commission's View**

The summary of the ARR approved by the Commission for BSP-TEED for FY 2025-26 is given in the Table below:

**Table 4-25: ARR approved by the Commission for FY 2025-26 (Rs. Lakh)**

| Sr. No. | Particulars | Original Petition | Revised Submission | Approved |
|---|---|---|---|---|
| 1 | Power Purchase Cost | 8808.30 | 8808.30 | 7267.60 |
| 2 | O&M Expenses | 2070.00 | 2070.00 | 2141.60 |
| 3 | Depreciation | 51.57 | 51.57 | 48.14 |
| 4 | Interest on Loan | 14.63 | 14.63 | - |
| 6 | Interest on Working Capital Requirement | 59.09 | 59.09 | 60.87 |
| 7 | Return on Equity | 38.19 | 46.42 | 35.39 |
| 8 | Provision for Bad & Doubtful Debts | - | - | - |
| 9 | Less: Non-Tariff Income | 129.00 | 129.00 | 129.00 |
| **10** | **Net ARR** | **10912.78** | **10921.01** | **9424.60** |

**Revenue from Sale of Electricity for FY 2025-26**

**BSP-TEED's submission**

The Petitioner submitted the revenue from sale of electricity at existing tariff in its Petition as Rs. 9450.70 Lakh, for FY 2025-26.

**Commission's View**

The Commission has computed the revenue from sale of electricity at existing tariff for FY 2025-26, based on the projected category-wise sales and the tariff approved for FY 2024-25, which works out to Rs. 9342.68 lakh.

### Revenue Gap / (Surplus) for FY 2025-26

**BSP-TEED's submission**

The Petitioner has submitted the Revenue Gap with existing tariff as Rs. 1462.08 lakh for FY 2025-26.

**Commission's View**

The Commission observed that the Petitioner has incorrectly considered the revenue gap. In reply to the Commission's query, the Petitioner submitted the revised Revenue Gap for FY 2025-26.

The Commission has computed the Revenue Gap at existing tariff for FY 2025-26, as shown in the Table below:

**Table 4-26: Revenue Gap at existing tariff for FY 2025-26 (Rs. Lakh)**

| Sr. No. | Particulars | Original Petition | Revised Submission | Approved |
|---|---|---|---|---|
| 1 | Net ARR | 10912.78 | 10921.01 | 9424.60 |
| 2 | Revenue at existing tariff | 9450.70 | 9450.70 | 9342.68 |
| 3 | Revenue Gap/(Surplus) | 1462.08 | 1470.31 | 81.92 |

# 5 DETERMINATION OF TARIFF FOR FY 2025-26

**In this Section, the Commission has set out its tariff philosophy, tariff design and approved the category wise tariff for BSP-TEED for FY 2025-26.**

## Recovery of Revenue Gap for FY 2025-26

**BSP-TEED's submission**

The Petitioner has worked out standalone Revenue Gap of Rs. 1470.31 Lakh as per the revised submission for FY 2025-26.

The Petitioner submitted that the tariff for its consumers has not been increased at similar rates as for other Distribution Licensees of the State. Hence, the Petitioner requested the Commission to increase the tariff for its consumers to bring it at par with that of CSPDCL.

The Petitioner has not submitted the proposed Tariff Schedule for its different consumer categories and requested the Commission to revise the tariffs to bring it at par with that of CSPDCL.

**Commission's View**

As mentioned in the earlier Chapter, the Commission has approved standalone Revenue Gap of Rs. 81.92 Lakh for FY 2025-26 for BSP-TEED against Revenue Gap of Rs. 1470.31 Lakh claimed by the Petitioner.

The Commission clarifies that the category-wise tariff for the Petitioner cannot be made same as the tariff applicable for the consumers of CSPDCL, as the Revenue Requirement of BSP-TEED does not require such a tariff increase. Hence, the Commission has approved the category-wise tariff for BSP-TEED for FY 2025-26 to meet its approved Revenue Requirement, as discussed below.

## Average Cost of Supply (ACoS) for FY 2025-26

The Commission has computed the ACoS for FY 2025-26 based on the approved ARR and projected sales for FY 2025-26, as shown in the following Table:

**Table 5-1: Approved ACoS for FY 2025-26**

| Sr. No. | Particulars | Unit | FY 2025-26 |
|---|---|---|---|
| 1 | Energy Sales | MU | 166.40 |
| 2 | ARR for Recovery | Rs Lakh | 9424.60 |
| 3 | ACoS | Rs/kWh | 5.66 |

**Tariff for FY 2025-26**

The Commission notes that BSP-TEED, in its Tariff Proposal for FY 2025-26, has not proposed any tariff, but has requested the Commission for increase in tariff of the consumers to bring it at par with the tariff of CSPDCL. The Commission is of the view that the tariff for any distribution licensee has to be determined based on its ARR and category-wise sales and cannot be equated to the tariff approved for CSPDCL, when there is no requirement to increase the tariff to that level.

The Commission has approved an average tariff increase of 0.88%, i.e., an average tariff increase of Rs. 0.05/kWh as shown in the Table below, to meet the approved Revenue Gap of Rs. 81.92 lakh for FY 2025-26:

**Table 5-2: Approved Tariff Revision for FY 2025-26**

| Sr. No. | Particulars | Unit | FY 2025-26 |
|---|---|---|---|
| 1 | ARR approved for FY 2025-26 | Rs Lakh | 9,424.60 |
| 2 | ACoS | Rs/kWh | 5.66 |
| 3 | Average Billing Rate with existing tariff | Rs/kWh | 5.61 |
| 4 | ACoS-ABR Gap | Rs/kWh | 0.05 |
| 5 | Tariff increase for full recovery | % | 0.88% |

In determining the ARR and the tariff of BSP-TEED for FY 2025-26, the Commission has been guided by the provisions of the Act, National Electricity Policy (NEP), Tariff Policy, and the CSERC MYT Regulations, 2021.

The Commission has retained the Fixed Charges as approved in the Tariff Order for FY 2024-25, and increased the Energy Charges as specified in the Tariff Schedule Chapter to meet the approved Revenue Gap.

In view of the above, the retail supply tariff approved by the Commission for FY 2025-26 is shown in the following Table:

**Table 5-3: Approved Tariff for FY 2025-26**

| | **FY 2025-26** | |
|---|---|---|
| **Consumer Category** | **Fixed Charge** | **Energy Charge** |
| **LV Categories** | **Rs/kW/Month** | **Rs/kWh** |
| **LV-1: Domestic** | | |
| 0-100 units | Rs. 20/- per kW/month for Sanctioned Load up to 5 kW; Rs. 30/- per kW/month for Sanctioned Load above 5 kW and up to 10 kW; Rs. 40/- per kW | 2.90 |
| 101-200 units | | 3.05 |
| 201-400 units | | 4.30 |
| 401-600 units | | 4.85 |
| 601 units and above | | 6.80 |

| | FY 2025-26 | |
|---|---|---|
| **Consumer Category** | **Fixed Charge** | **Energy Charge** |
| **LV Categories** | **Rs/kW/Month** | **Rs/kWh** |
| | per month for Sanctioned Load above 10 kW | |
| **LV-2: Non-Domestic** | | |
| 0-100 | Rs. 50/- per kW per month | 4.15 |
| 101-400 | | 5.70 |
| 401 units and above | | 6.80 |
| **LV-3: Industry** | Rs. 120.00/- per kW per month on billing demand | 4.75 |
| **LV-4: Public Utilities** | Rs. 190/- per kW per month | 8.15 |
| **LV-5: Electric Vehicle Charging Stations** | Nil | 5.66 |
| **HV Categories** | **Rs/kVA/Month** | **Rs/kWh** |
| **HV-1: Residential** | 190.00 | 7.10 |
| **HV-2: Non-Residential and General Purpose** | | |
| 33 kV | 190 .00 | 7.40 |
| 11 kV | 190.00 | 7.80 |
| **HV-3: Public Utilities** | 190.00 | 7.90 |
| **HV-4: Electric Vehicle Charging Stations** | Nil | 5.66 |

BSP-TEED should ensure that the tariffs and various charges are levied strictly in accordance with the approved Tariff Schedule and the Management Information System captures the relevant data in the same format, so that the same can be submitted to the Commission in subsequent tariff filings.

### Applicability of Order

**The approved Tariff Schedule for FY 2025-26 is given in the next Chapter.**

**The Order will be applicable from 1st August, 2025 and will remain in force till 31st March, 2026 or till the issue of next Tariff Order, whichever is later. The Commission directs BSP-TEED to take appropriate steps to implement the Tariff Order.**

# 6 TARIFF SCHEDULE FOR FY 2025-26

This Tariff Schedule shall be applicable from 1st August, 2025.

**Tariff Schedule for Low Voltage (LV) Consumers**

This tariff schedule is applicable to all LV consumers as follows:

a) Single-phase, 230 Volts up to a maximum Sanctioned Load of 5 kW (excluding agriculture and industrial consumers), and

b) Three-phase, 400 Volts for maximum demand up to 150 kW in case of demand-based tariff or for maximum Sanctioned load of 200 HP in case of other tariff, as applicable.

**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, residential premises of professionals such as advocates, doctors, artists, consultants, weavers, bidi makers, beauticians, stitching and embroidery workers including their chambers, public toilets, fractional HP motors used for Shailchak by Kumhars in their residences, zero waste centre compost unit.

**Tariff**

| Category of Consumers | Units Slab | Fixed Charge (Rupees/kW/ month) | Energy Charge (Rs. Per kWh) |
|---|---|---|---|
| **LV-1: Domestic** | | | |
| Domestic including BPL Consumers | 0 -100 units | Rs. 20/- per kW/month for Sanctioned Load up to 5 kW; Rs. 30/- per kW/month for Sanctioned Load above 5 kW and up to 10 kW; Rs. 40/- per kW per month for Sanctioned Load above 10 kW | 2.90 |
| | 101-200 units | | 3.05 |
| | 201-400 units | | 4.30 |
| | 401-600 units | | 4.85 |
| | 601 and above units | | 6.80 |

**Notes:**

i. Energy Charges are telescopic. For example, if consumption in any month is 150 units, then for first 100 units, rate of slab 0-100 shall be applicable and for remaining 50 units, rate of slab 101-200 shall be applicable;

ii. Fixed Charges is a monthly minimum charge, whether any energy is consumed during the month or not;

iii. Fixed Charges are telescopic. For example, if Sanctioned Load is 7 kW, then the rate of Rs. 20/- per kW/month shall be applicable for the first 5 kW and the rate of Rs. 30/- per kW/month shall be applicable for the balance 2 kW;

iv. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Sanctioned Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

v. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load can be restated to the highest demand recorded in these three months at the option of the consumer.

vi. Domestic consumers shall be entitled for subsidy as per State Government Order, and their consumption shall be billed as per tariff LV-1.

vii. If a portion of the dwelling is used for the conduct of any business other than those stipulated above, the billing shall be done as per Clause 11.12 (a) of the Supply Code.

### 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-3), 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**: Non-Domestic | 0 – 100 units | Rs. 50 per kW per month | 4.15 |
| | 101 - 400 units | | 5.70 |
| | 401 and above units | | 6.80 |

**Notes:**

i. Fixed Charges is a monthly minimum charge, whether any energy is consumed during the month or not.

ii. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Sanctioned Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

iii. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load can be restated to the highest demand recorded in these three months at the option of the consumer.

iv. A discount of 10% on Energy Charges shall be applicable for commercial activities being run exclusively by registered women self-help groups.

**LV-3: L.V. Industry**

**Applicability**

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, Toy Industries, Wire Drawing / Steel Industries, Wire Product, industries run by Registered Women self-help group, workshops, fabrication shop etc.

**Tarif**

| Category of Consumers | Demand Charge | Energy Charge (Rs. per kWh) |
|---|---|---|
| **LV-3: L.V. Industry** | Rs. 120/kW/month on billing demand | 4.75 |

**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 10% on Energy Charges shall be applicable for

- Industrial activities being run exclusively by registered women self-help groups.

- Poha and Murmura mills.

## LV-4: 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 or any organization made responsible by the Government to maintain these services

### Tariff

| Category of Consumers | Fixed Charge | Energy Charge (Rs. per kWh) |
|---|---|---|
| LV-4: Public Utilities | Rs. 190/kW/month | 8.15 |

**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.

## LV-5: L.V. Electric Vehicle Charging Stations

### Applicability

This tariff is for Electric Vehicle Charging Stations connected at Low Voltage.

**Tariff:**

| Category of Consumers | Fixed Charge | Energy Charge (Rs. per kWh) |
|---|---|---|
| LV-6: Electric Vehicle Charging Stations | Nil | 5.66 |

**LV-6: L.V. 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.

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.

Fixed Charge and Energy Charge shall be billed at one and half times the normal tariff as applicable to the corresponding consumer categories.

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 stated above.

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.

**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 in fraction shall be rounded off to the next whole number.
3. If the bills are not issued consecutively for three months or more for any LV Consumer, billing on accumulated meter reading shall not be raised without approval of the officer not below the rank of Manager.
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. The recorded demand for the respective month shall be reflected in the consumer bill.

**Power Factor Incentive and Surcharge**

i. Consumers, falling under tariff categories LV 3 - LV Industry and LV 4: Public Utilities 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 BSP-TEED 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.

**Provisions of billing in case of Excess Supply**

**1. <u>For Sanctioned load-based tariff</u>**

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. **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.

3. **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).

4. **Additional Charges**

Every Local Body shall pay an additional charge equivalent to any tax or fee levied by it under the provisions of any law including the Corporation Act, District Municipalities Act on the poles, lines, transformers and other installations through which the Local Body receives supply.

5. **Advance Payment Rebate**

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount which remains with the Licensee at the end of the calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount payable to the Licensee subject to the net amount of advance being not less than Rs.1000 and shall be adjustable in next month's bill.

6. **Rounding off**

The bill shall be rounded off to the nearest multiple of Rs.10. Difference, if any, between the bill amount before and after rounding off, shall be adjusted in next month's bill.

For example: - If the total amount of bill is Rs. 235.00, then the bill shall be rounded off to Rs. 240 and Rs. 5.00 will be credited in next month's bill, whereas if the total amount of bill is Rs. 234.95, then the bill will be rounded off to Rs. 230 and Rs. 4.95 will be debited in next month's bill. In view of the above provision, no surcharge will be levied on outstanding amount, which is less than Rs. 10.

7. **Applicability of tariff**

In case of any dispute about applicability of tariff to a particular LV category, the decision of the Commission shall be final and binding.

8. **Tax or Duty**

The tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law in force. Such charges, if any, shall be payable by the consumer in addition to tariff charges.

9. **Meter Hire**

Meter hire shall be charged as per the schedule of miscellaneous charges to all categories of LV consumers except the consumers of domestic light and fan category. Domestic light and fan category consumer shall not be required to pay such charges.

10. **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.

**11. 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.

**Tariff Schedule for High Voltage (HV) Consumers**

This tariff schedule is for consumers who avail supply at 11 kV or above.

**HV-1: 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-2: 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 kWh) |
|---|---|---|
| Residential | 190 | 7.10 |

**1.1.2 HV-2: Non-Residential and General Purpose**

**Applicability**

i. This tariff is applicable to other HV categories not covered under HV-1and HV-3 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.

ii. 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 HV consumers not covered specifically in any other HV tariff category.

**Tariff**

| Supply Voltage | Demand Charge (Rs. /kVA/month) | Energy Charge (Rs. per kWh) |
|---|---|---|
| 33 kV supply | 190 | 7.40 |
| 11 kV supply | 190 | 7.80 |

**Notes: -**

i. A discount of 15% on Energy Charges shall be applicable for defense establishments under Government of India.

ii. A discount of 5% on Energy Charges shall be applicable for Poha and Murmura mills.

**HV 3: 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 or any organization made responsible by the Government to maintain these services

**Tariff**

| Supply Voltage | Demand Charge (Rs. /kVA/month) | Energy Charge (Rs. per kWh) |
|---|---|---|
| Public Utilities | 190 | 7.90 |

### HV-4: H.V. Electric Vehicle Charging Stations

**Applicability**

This tariff is applicable to Electric Vehicle Charging Stations for vehicles taking supply at High Voltage.

**Tariff:**

| Category of Consumers | Fixed Charge | Energy Charge (Rs. per kWh) |
|---|---|---|
| HV-5: Electric Vehicle Charging Stations | Nil | 5.66 |

### HV-5: Temporary Connection at HV

**Applicability**

This tariff is applicable to all HV connections 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:**

- 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.
- 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.
- Any expenditure made by BSP-TEED up to the point of supply for giving

temporary connection shall be payable by the consumer as per prescribed procedure.

- Connection and disconnection charges shall be paid separately.
- No rebates/concessions under any head shall be applicable to temporary connections.
- Month for the purpose of billing of temporary supply shall mean 30 days from the date of connection or for part thereof.
- Other terms and conditions of the relevant category of tariff shall also be applicable.

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.

**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 |

* 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 10 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 on the poles, lines, transformers and other installations through which the Local Body receives supply.

## 8. Advance Payment Rebate

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount, which remains with the Licensee at the end of calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount payable to the Licensee, subject to the net amount of advance being not less than Rs. 20,000 and shall be adjustable in next month's bill.

## 9. Additional Charge for Exceeding Contract Demand

The consumers should restrict their maximum demand to the extent of contract demand. In case the maximum demand during any month exceeds the contract demand, the tariff at normal rate shall apply only to the extent of the contract demand and corresponding units of energy. The demand in excess of contract demand and corresponding units of energy shall be treated as excess supply. The excess supply so availed, if any, in any month shall be charged at one and half times of the normal tariff applicable to the consumer (demand and energy charges) for the excess demand to the extent of 20% of contract demand and at the rate of two times of normal tariff if the excess demand is found beyond 20% of contract demand.

For 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 BSP-TEED's right to discontinue the supply in accordance with the provisions contained in the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof.

iii. **No rebates/incentive is payable on such excess supply.**

**10. Additional Charge**

The HV consumers having Contract Demand exceeding the maximum limit as prescribed above in 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 and general charges of the H.V. Category 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. Dispute on applicability of tariff

**13. 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.

**14. 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.

# 7 DIRECTIVES

**Directive to BSP-TEED**

The Commission has given specific directives to BSP-TEED in this Order, in order to facilitate improvement in operational efficiency. BSP-TEED should comply with all these directives and submit quarterly reports to the Commission regarding status of compliance of these directives. BSP-TEED should also include a Chapter on Compliance of Directives along with its future ARR and Tariff Petitions.

**1. Reduction of Distribution Losses**

The Commission directs BSP-TEED to submit quarterly distribution loss reduction trajectory for FY 2025-26 by 30 September 2025 and submit quarterly progress report for the same.

**2. Installation of Smart Meters**

The Commission directs BSP-TEED to install Smart Meters in compliance to the Electricity (Rights of Consumers) Rules, 2020.

3. **Distribution Transformer (DT) Metering**

To control and monitor the distribution loss, the Commission directs BSP-TEED to install energy meters in all its distribution transformers.

4. **Burnt/Defective Meters**

The Commission directs BSP-TEED to replace all the defective meters on priority basis and install new meters where ever required.

5. **Redressal of Consumer Grievances**

The Commission directs BSP-TEED to ensure to fix one hour in a week for redressal of consumer grievances.

6. **Augmentation and strengthening of system**

The Commission directs BSP-TEED to comply the supply code and provide three-phase connections to the consumers by augmenting and strengthening the distribution system.

# 8 ANNEXURE-1

**List of Persons who submitted written submissions and offered comments during hearing**

| Sr. No. | Name |
|---|---|
| 1. | Sh. Gyanchand Jain on behalf of Bhilai Steel City Chamber of Commerce |
| 2. | Sh. Ramkumar Gupta, Bhilai |
| 3. | Sh. Suresh Ratnani, Bhilai |
| 4. | Sh. Piyush Jain, Bhilai |
| 5. | Sh. Rajesh Dhodi, Bhilai |
| 6. | Sh. Ajay Kanoje, Bhilai |
| 7. | Sh. Shrikant Upadhyaya, Bhilai |
| 8. | Smt. Suman Kanoje, Bhilai |
| 9. | Smt. Kanchan Singh, Bhilai |
| 10. | Sh. Ved Prakash Gupta, Bhilai |