



Chhattisgarh State Electricity Regulatory Commission

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Suo Motu Petition No. 09 of 2026

In the Matter of:

“Clarification on applicability of Wheeling and DSM Charges for consumers availing Intra-State Open Access.”

1. M/s Real Ispat & Power Limited.
2. M/s Gravity Ferrous Pvt. Limited
3. Chhattisgarh State Load Despatch Centre
4. Chhattisgarh State Power Transmission Company Limited
5. Chhattisgarh State Power Distribution Company Limited
6. M/s Shri Bajrang Power & Ispat Ltd., Bhorjhara
7. M/s Jindal Steel & Power Ltd., Raigarh
8. M/s Mahendra Sponge & Power Pvt. Ltd.,
9. M/s Ultratech Cement Ltd., Baikunth Cement Works
10. M/s Ultratech Cement Ltd., Rawan Cement Works
11. M/s Nu Vista Pvt. Ltd., Balodabazar. ... Respondents

PRESENT : Vivek Ganodwale, Member (Law)
Ajay Kumar Singh, Member (Technical)

ORDER

(May 29, 2026)

The Commission had notified the Chhattisgarh State Electricity Regulatory Commission (Intra-State Availability Based Tariff and Deviation Settlement Mechanism) Regulations, 2016. The objective of the said Regulations is to maintain grid discipline, grid security, and orderly operation of the power system by all users of the grid and to ensure compliance to the specified scheduling and settlement framework.

2. The State Load Despatch Centre (SLDC), vide letter dated 26.06.2025, sought certain clarification from the Commission regarding interpretation and applicability of charges under the DSM Regulations, 2016. Accordingly, the Commission, vide order dated 23.12.2025 in Suo Motu Petition No. 51 of 2025, issued necessary clarifications regarding implementation of the said Regulations.
3. Aggrieved by the aforesaid clarification, M/s Real Ispat & Power Ltd. and M/s Gravity Ferrous Pvt. Ltd., vide letters dated 09.01.2026, submitted that the clarification had created ambiguity resulting in financial and operational difficulties for them as an intra-State open access consumer. They sought removal of difficulties under Clause 14 of the DSM Regulations, 2016 and contended that they had not been impleaded in the earlier proceedings of Suo Motu Petition No. 51 of 2025 despite the order having significant financial and operational implications for them.
4. Taking cognizance of their representations, the Commission initiated the present Suo Motu petition and impleaded M/s Real Ispat & Power Ltd., M/s Gravity Ferrous Pvt. Ltd., CSLDC, Chhattisgarh State Power Transmission Company Limited (CSPTCL), and Chhattisgarh State Power Distribution Company Limited (CSPDCL) as parties to the proceedings.
5. During the hearing held on 16.01.2026, the Commission directed SLDC to furnish details of all Multi Supply Consumers (MSCs) who have availed and availing intra-State Open Access after notification of the DSM Regulations, 2016. In compliance, SLDC, vide submission dated 16.01.2026, submitted the list of such MSCs. Based on the said submission, M/s Bajrang Power & Ispat Ltd., Borjhara; M/s Jindal Power & Ispat Ltd., Raigarh; M/s Mahendra Sponge & Power Pvt. Ltd.; and M/s Ultratech Cement Ltd. (Baikunth and Rawan Cement Works) were also impleaded in the proceedings.

6. With a view to ensure transparency and fairness, the Commission, vide draft order dated 23.01.2026, proposed a billing methodology along with an illustration and invited comments/suggestions thereon from all the affected parties. The draft order proposed that CSPDCL, in coordination with SLDC, recalculate the bills for the applicable past period transactions (up to January 2026) for each of the MSCs. The relevant portion of the draft order is reproduced below:
7. The DSM Regulations, 2016 require that the total scheduled drawal of an MSC be computed as the sum of:
 - (a) Contract Demand with the Distribution Licensee (converted into MVA at 0.90 power factor); and
 - (b) Open access injection schedule (after considering applicable losses).
8. For retail supply billing, demand charges are leviable up to the sanctioned/contracted demand, and energy charges are leviable for energy computed at 100% load factor corresponding to contract demand.
9. The regulatory intent underlying the DSM Regulations is that:
 - a. An existing consumer may reduce its Contract Demand (CD) with the Distribution Licensee and meet part of its power requirement through open access; or
 - b. Any supply received over and above the contracted retail supply is to be treated as open access supply, and deviation charges are to be applied on the deviations between actual drawl and total scheduled drawl, an existing consumer may retain its CD and meet any additional power requirement through open access.
10. However, from the submissions of the parties and the information furnished by CSPDCL and SLDC, it emerges that several MSCs continued with their original Contract Demand without reduction, despite meeting a substantial part of their actual power requirement

through open access. Consequently, persistent under drawal occurred vis-à-vis the total scheduled drawal computed under the DSM Regulations, 2016.

11. The Commission is prima facie of the view that such under drawal did not arise from any intentional or deliberate act aimed at securing undue commercial gain. Rather, it stemmed from misinterpretation and misapplication of the DSM Regulations, 2016 by the stakeholders, including MSCs, SLDC and CSPDCL.
12. The Commission further notes that, due to such misapplication, CSPDCL could not recover even its cost of supply. Applicable Average Billing Rate (ABR) for such MSCs was not applied, resulting in revenue shortfall of CSPDCL. At the same time, MSCs derived a financial advantage due to such regulatory misapplication, albeit without mala fide intent.
13. The Commission notes that Clause 13 of the DSM Regulations, 2016 provides as under:

"SAVINGS AND REPEAL

13.1 Nothing in these Regulations shall be deemed to limit or otherwise impede the inherent power of the Commission to revise/review and make such orders as may be necessary, in the absence of sufficient data, to meet the ends of justice or to prevent abuse of the process of the Commission.

13.2 Nothing in these Regulations shall impede the Commission from adopting, in conformity with the provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters, and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters."

14. In view of the above legal provisions and considering the special circumstances of the present case, the Commission is of the considered view that it is empowered to adopt a special procedure and propose a settlement mechanism for past periods in order to

meet the ends of justice, prevent abuse of process, and balance equity among stakeholders.

15. The DSM Regulations, 2016 further define and provide for elimination of "gaming" as under:

Definition of Gaming (Clause 3.20):

"Gaming" shall mean an intentional mis-declaration of declared capacity/schedule by any seller in order to make an undue commercial gain through deviation charges.

ELIMINATION OF GAMING

9.1. Generally the Sellers/Buyers shall ensure that the injection/drawal schedule. actual injection/drawal shall be near to the injection/drawal schedule.

2. If it is observed that the Sellers is indulging in gaming, then any affected entity or SLDC may intimate the facts with relevant records to the Commission. The Commission on a petition made by any affected entity or SLDC, shall initiate proceedings against any "Seller" on charges of gaming and if required, may order an inquiry in such manner as decided by the Commission. When the charge of gaming is established in the above inquiry, the Commission may, without prejudice to any other action under the Act or regulations there under, disallow any deviation charge receivable by the Sellers/Buyers during the period of such gaming or may take any other action."

16. Although the above provisions primarily refer to sellers, the Commission is of the considered view that the DSM Regulations, when read harmoniously, do not permit either sellers or buyers to derive undue financial gains arising from improper regulatory application, misinterpretation, or the use of the ABT/DSM mechanism in a manner not intended or contemplated.
17. Settlement mechanism of MSC specified in DSM Regulations, 2016 must therefore be read harmoniously to ensure:
- a. full recovery of regulated retail supply costs by CSPDCL;
 - b. non-distortion of deviation charges; and
 - c. avoidance of unjust enrichment or revenue leakage.

18. In view of regulatory ambiguity and special circumstances of the present case, the Commission proposes to invoke its inherent powers under Clause 13 of the DSM Regulations, 2016 to adopt a one-time settlement mechanism for transactions completed prior to the issuance of the clarification order dated 23.12.2025.
19. The Commission accordingly proposes that CSPDCL, in coordination with SLDC, shall recalculate bills for the applicable past periods (up to January 2026) for each of the MSCs based on the following methodology:
 - a. Actual energy supplied by CSPDCL to the MSC shall be considered.
 - b. The applicable Average Billing Rate (ABR) for the relevant consumer category shall be applied.
 - c. ABR shall be computed considering demand charges as per Regulations and energy at 100% load factor.
 - d. DSM charges already levied or paid for the relevant periods shall be adjusted against the recalculated amount.
20. Views, Comments and Suggestions from all stakeholders, including MSCs, CSPDCL, SLDC and open access consumers were invited and a copy of the draft order was served to all the impleaded parties who submitted their consent/comments/suggestions before the Commission. Comments and suggestions of the stakeholders are summarised below:
 - (a) **M/s Gravity Ferrous Pvt. Ltd. and M/s Mahendra Sponge & Power Ltd.** conveyed their consent to the billing methodology proposed by the Commission and submitted calculation sheets prepared in accordance with the proposed methodology. They further requested that the amount

recoverable from them pursuant to the revised settlement be permitted to be paid in twelve equal monthly instalments.

Commission's View

The Commission takes note of the consent accorded by this party to the proposed billing methodology. As regards the request seeking payment of the amount arising from the past settlements in twelve equal monthly instalments, the Commission allows recovery/payment in nine equal monthly instalments, subject to the directions contained in the subsequent paragraphs of this order.

- (b) **M/s Real Ispat & Power Ltd.** submitted its consent to the proposed billing methodology along with the calculation sheet of ABR and a statement indicating the amount payable to CSPDCL. The petitioner further submitted that it had applied for reduction of Contract Demand in the month of February 2026 and requested that billing for February 2026 be carried out as per the existing practice, as the proposed reduction would come into effect from 01.03.2026. Further, M/s Real Ispat & Power Ltd. requested that, for ease of compliance and financial management, the payable amount be allowed to be discharged in 12 equal monthly instalments.

Commissions View

The Commission considered the submissions of M/s Real Ispat & Power Ltd. and noted that the petitioner had conveyed its consent to the proposed billing methodology. The Commission also took note of the submission that the petitioner had applied for reduction of contract demand and that such reduction due to procedural requirement could be made effective from 01.03.2026. Accordingly, the request of the company to carry out billing for the month of February 2026 also as per the proposed order is allowed.

Further, considering the request made for ease of compliance, the Commission allows the amount recoverable from M/s Real Ispat & Power Ltd. to be paid in nine equal monthly instalments. CSPDCL shall accordingly facilitate recovery of the amount in the approved instalments.

In view of the difficulties in reduction of Contract Demand, the Commission accordingly directs CSPDCL and SLDC that the billing of energy charges for the month of February 2026 to be carried out as per previous adopted methodology and reduction is to be implemented from the month of March 2026.

(c) **M/s Bajrang Power & Ispat Ltd.** submitted the following comments:

- i) ABR to be computed considering demand charges as per Regulations and energy charges at actual load factor of consumer as billing is based on actual load factor.
- ii) Open access quantum to be considered based on actual drawl by consumer.
- iii) Clarification on actual bill payment in case of solar open access already been done as per DRE Regulations.

Commissions View

The Commission clarifies that the order dated 23.12.2025 issued in Suo Motu Petition No. 51 of 2025 is clear and unambiguous. No entity can claim or retain any undue financial gain arising out of an erroneous interpretation or misapplication of the Regulations. The present exercise of settlement of past transactions through the draft order is intended only to address the ambiguity created during implementation and to regularise past settlements in accordance with the correct regulatory intent and position, while ensuring transparency, fairness and equitable treatment of all stakeholders.

It is further clarified that solar power open access transactions shall continue to be governed by the relevant provisions of the applicable DRE Regulations and the orders passed by the Commission from time to time. Accordingly, the present exercise relating to settlement of past transactions shall not affect or alter the settlement methodology already adopted for such solar open access transactions.

- (d) **The CSPDCL**, in its comments, submitted that the draft order provides for a one-time settlement mechanism for the past dues of the affected MSCs, which, according to CSPDCL, is not supported by the applicable provisions of the DSM Regulations. CSPDCL contended that the methodology proposed by the Commission is entirely distinct in nature and that implementation of such a methodology would, in effect, amount to an amendment of the existing DSM Regulations.

CSPDCL further submitted that it has already proposed amendments to the DSM Regulations, 2016 and asserted that no difficulty or ambiguity exists in the application of the DSM Regulations following issuance of the clarificatory order dated 23.12.2025. Accordingly, CSPDCL requested that no alternative methodology, deviating from the extant provisions of the DSM Regulations, be adopted for computation and recovery of past dues.

Commission's view

CSPDCL's contention is not acceptable. The record indicates that, instead of approaching the Commission at the relevant time for clarification or seeking appropriate directions through a petition regarding implementation of the DSM Regulations, CSPDCL continued to undertake billing in a manner which has subsequently been found to be inconsistent with the correct interpretation of the applicable provisions. It was only after clarification was sought by

SLDC that the position regarding applicability and implementation became clear.

Further, Regulation 13.2 of DSM Regulations expressly provides as under:

"Nothing in these Regulations shall impede the Commission from adopting, in conformity with the provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters, and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters."

The aforesaid provision clearly empowers the Commission to adopt an appropriate procedure in exceptional circumstances, subject to recording reasons in writing. Therefore, adoption of a one-time settlement mechanism or a suitable methodology for addressing the present issue cannot, by itself, be construed as an amendment to the DSM Regulations, 2016

The Commission is also of the view that any lapse, omission, or delay on the part of CSPDCL in seeking timely clarification or ensuring correct implementation of the Regulations ought not to result in avoidable financial burden upon consumers. If any negligence, procedural lapse, or failure in implementation is established, the appropriate course would be to examine accountability and initiate suitable action against the concerned officials in accordance with applicable provisions, rather than transferring the consequences thereof to consumers.

- (e) **M/s Jindal Steel & Power Limited (JSPL)** submitted detailed comments with respect to the determination of energy charges applicable to MSCs, particularly emphasizing the derivation of such charges based on a 100% load factor corresponding to the contract demand. JSPL expressed concern regarding levy of

energy charges on MSCs for the entire contract demand irrespective of the actual drawal by the consumer, especially during those time blocks in which no power was scheduled by the consumer from CSPDCL.

JSPL further submitted that computation of energy charges in the manner proposed in the Draft Order would result in double recovery of energy charges from MSCs and would be inconsistent with the two-part tariff structure envisaged under the DSM framework. Accordingly, while seeking clarification, JSPL requested that the Commission may reconsider implementation of the order dated 23.12.2025 and the draft order dated 23.01.2026 for the purpose of computation of energy charges, particularly for those time blocks during which no power was scheduled by the consumer from CSPDCL.

- (f) During the hearing held on 18.03.2026, **M/s NU Vista Pvt. Ltd.** approached the Commission seeking for impleading in the present proceedings. The Commission allowed the said request and permitted M/s NU Vista Pvt. Ltd. to participate in the matter. M/s NU Vista Pvt. Ltd. submitted that it had procured "Green Energy" through IEX by availing inter-State open access for two days during February 2026 and three days during March 2026. Accordingly, it requested that, considering the limited duration and specific nature of its procurement arrangement, its case and related concerns be appropriately examined and suitably addressed in the present proceedings.
- (g) Further, during the course of hearing on 09.04.2026, **M/s Ultra Tech Cement Ltd.** approached the Commission submitting they also availed short duration power in the past years therefore, they should also be given opportunity for detailed hearing to them.

Commission's View

The Commission observes that the methodology proposed in the draft order has been formulated with reference to transactions commenced for an entire billing month. However, in cases where open access transactions were undertaken only for a part of the month, such transactions stand on a different footing and may not warrant identical treatment without examining the factual and operational aspects specific to such transactions.

Accordingly, the Commission is of the view that part-month open access transactions shall require separate consideration and appropriate treatment so as to ensure that billing and settlement are carried out in a fair and equitable manner. The Commission is of the considered view that the present proceedings are not intended to address issues arising from consumers attaining the status of MSC for such short-duration or intermittent transactions. Accordingly, the Commission considers it appropriate that the issues relating to treatment of MSCs availing power for short durations be examined comprehensively and deliberated in detail through separate suo motu proceedings, so that all operational, billing, and regulatory implications may be considered in an appropriate and holistic manner.

Therefore, the cases of M/s Jindal Power and Steel Ltd, M/s NU Vista Pvt. Ltd., and M/s Ultra Tech Cement Ltd, involving procurement through open access for limited days during certain months shall be examined and addressed separately in separate suo motu proceedings. Till the issues of these three parties are not addressed in the new petitions, no coercive action be taken and status-quo be maintained.

21. **Commission's View regarding the issue relating to the manner in which open access capacity is being availed and allocated to consumers:**

- i) The CSERC (Connectivity and Intra-State Open Access) Regulations, 2011 specify the order of priority for allotment of open access capacity available with CSPDCL, wherein Long-Term Open Access (LTOA) consumers are accorded the highest priority, followed by Medium-Term Open Access (MTOA) consumers and thereafter Short-Term Open Access (STOA) consumers.
- ii) The Commission observes that certain consumers have continued to avail short-term open access repeatedly and for prolonged periods, thereby effectively utilizing network capacity on a long-term/medium-term basis while remaining under the short-term category. Such practice defeats the regulatory intent behind the classification and priority framework provided under the open access Regulations.
- iii) Accordingly, in cases where a consumer has continuously availed or extended short-term open access beyond a period of twelve months, such consumer shall be required to apply for long-term/medium-term open access in accordance with the Regulations; or
- iv) The Commission further notes that the new ABT Regulations are presently under formulation and issues concerning treatment of MSC consumers and allocation of network capacity are under active regulatory consideration. In this context, the Commission considers it necessary to preserve the existing system capacity position until the regulatory framework is finalized.
- v) Therefore, CSPDCL is directed that, in cases where consumers have reduced their Contract Demand, including M/s Gravity Ferrous Pvt. Ltd and M/s Real Ispat & Power Ltd, the corresponding released capacity shall not be allocated, transferred, or committed to any other retail consumer until

further orders of the Commission or notification of the new ABT Regulations. This direction is being issued to ensure that consumers are not prejudiced during the transitional regulatory period and to maintain flexibility for implementation of the revised framework, if required.

22. The Commission accordingly directs the CSPDCL in coordination with SLDC, to recalculate bills for the applicable past periods (up to January 2026) and recover the payment of previous settlements in nine (9) monthly instalments, for each of the MSCs based on the following methodology:

- a. Actual energy supplied by CSPDCL to the MSC to be considered.
- b. The applicable Average Billing Rate (ABR) for the relevant consumer category to be applied.
- c. ABR to be computed considering demand charges as per Regulations and energy at 100% load factor.
- d. DSM charges already levied or paid for the relevant periods shall be adjusted against the recalculated amount.

23. For the sake of clarity, an illustration of the billing methodology is set out below.

Illustration

Assume an MSC with the following parameters:

- Contract Demand with CSPDCL: 1 MVA
- Scheduled energy at 100% load factor in a month: 720,000 kVAh
- ABR of consumer category: ₹7.29/kWh

Parameters		Energy at 100% load factor, kVAh	Tariff as per Tariff Order for FY 2025-26	Charges, Rs.
Contract Demand (kVA)	1000		Rs. 190 per KVA	190000

Parameters		Energy at 100% load factor, kVAh	Tariff as per Tariff Order for FY 2025-26	Charges, Rs.
Peak hours per day	6	180000	Rs. 8.58 per kVAh	1544400
Off- peak hours per day	8	240000	Rs. 5.72 per kVAh	1372800
Normal	10	300000	Rs. 7.15 per kVAh	2145000
No. of Days per month	30	720000	Total Charges	5252200
ABR, Rs. Per kVAh				7.29

Month	Actual kVAh consumption by the consumer	Open access quantum, kVAh	kVAh consumption from CSPDCL	ABR, Rs per kWh	Bill required to be paid to CSPDCL, Rs.	Actual bill paid by consumer to CSPDCL, Rs.	UI Charges already received by open access consumer, Rs.	Actual cost incurred by consumer, Rs.	Amount to be adjusted and paid to CSPDCL, Rs.
	A	B	C = (A-B)	D	X = (C x D)	Y	Z	P=(Y-Z)	Q =(X-P)
Nov-25	7591770	7128618	463152	7.29	3376378	6082732.36	5375413	707319.36	2669058.72

24. Summary of the observations of the Commission: -

- i) The consumers, i.e., M/s Ultratech Cement Ltd., Baikunth Cement Works, M/s Ultratech Cement Ltd., Rawan Cement Works, and M/s Nu Vista Pvt. Ltd., Balodabazar, have availed very short period / intermittent open access, the issue is to be deliberated in detail by registering separate Suo-Motu petition for such MSCs, therefore, these respondents are separated from these proceedings. Further, till the issues of these parties are not addressed in the new petition, no coercive action be taken and status-quo be maintained.
- ii) The issues raised by M/s Jindal Steel & Power Ltd., Raigarh is also to be deliberated by registering separate Suo Motu petition, hence, M/s JSPL is also separated from these proceedings. Further, till the issues of this party is not

addressed in the new petition, no coercive action be taken and status-quo be maintained.

- iii) As regards, M/s Real Ispat & power Ltd., the billing of energy charges for the month of February 2026 is to be carried out as per previous adopted methodology and the contract demand reduction is to be implemented from the month of March 2026.
- iv) CSPDCL is directed that, in cases where consumers have reduced their Contract Demand, the corresponding released capacity shall not be allocated, transferred, or committed to any other retail consumer until further orders of the Commission or notification of the new ABT Regulations.

We order accordingly.

Ajay Kumar Singh)
Member (Tech.)

(Vivek Ganodwale)
Member (Law)