Chhattisgarh State Electricity Regulatory Commission
Vidhyut Niyamak Bhawan
Irrigation Colony, Shanti Nagar, Raipur - 492 001 (C.G.)
Ph.0771-4073568, Fax: 4073553
www.cserc.gov.in, e-mail: cserc.sec.cg@nic.in

Petition No. 53 of 2025

In the Matter of:

Determination and truing-up of Energy Charge Rate for FY 2024-25 for coal based thermal power station of 1200 MW (4x300 MW) capacity of M/s Bharat Aluminum Company Limited (BALCO).

M/s Bharat Aluminum Company Limited .. Petitioner

Vs

M/s Chhattisgarh State Power Distribution Co. Ltd. (CSPDCL) .. Respondent

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

Appearance: Shri Lakshyjit Singh, Counsel and Ms. Ashwika for petitioner BALCO

Shri Abhinav Kardekar (appeared online), Shri Ayush Solanki, Counsels and Shri Biplab Dutta, EE for respondent CSPDCL

ORDER

(Passed on 12/11/2026)

This order is passed in Petition filed by M/s BALCO under the provisions of Section 62, 86 (1) (a) of the Electricity Act, 2003, determination of tariff (variable cost) for power supplied to the Respondent

Chhattisgarh State Power Distribution Company Limited (CSPDCL) at variable cost during FY 2024-25 from its 1200 MW (4x300 MW) of thermal generating station located at Korba, Chhattisgarh.

2. Petitioner has sought following reliefs:

i. allowing an amount of 1.995 Rupees per kWh being Energy Charges for FY 2024-25 (which is inclusive of transportation cost of coal, biomass and oil) for supply of power by the Petitioner to the Respondent in terms of PPA dated 19.01.2015,

ii. allowing, statutory charges, fees, duties and taxes as a pass through based on actual incurred basis, in terms as mentioned in the present Petition;

iii. allowing Rs. 3,08,83,252 expenses incurred towards the ash transportation incompliance to MoEFCC & MoP notifications and in-principal allowing other expenses incurred towards ash handling and disposal system as a pass through on actual incurred basis for FY 2024-25.

iv. allowing interest on working capital at Rs. 0.039 per kWh for FY 2024-25 from the beneficiary in terms as mentioned in the present Petition;

v. allowing carrying cost from the date of actual costs incurred by the Petitioner towards supply of power to CSPDCL, in terms as stated in the present Petition;

vi. allowing actual recovery towards filing and publication fees and other charges as is currently estimated;

vii. allowing the Petitioner to amend the Petition and/ or file such other additional documents/ explanations etc. as may be necessary to support the Petition; and

viii. Pass such further and other Orders, as the Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

3. The following table provides a list of interactions with the Petitioner along with the dates:

Table 1: List of Important Dates

S.No.	Particulars	Date
1	Filing of Petition	29.08.2025
2	Admittance of Petition	02.09.2025
3	Issue of 1st data gaps	24.02.2026
4	Reply received from the Petitioner with regard to 1st data gaps	27.04.2026
5	Public hearing notice published in newspaper	29.09.2026
6	Technical Validation Session (TVS)	06.10.2026
7	Public hearing	07.10.2026
8	Issue of 2nd data gaps	24.09.2026
9	Reply received from the Petitioner with regard to 2nd data gaps	05.10.2026

4. The Respondent, CSPDCL has submitted objections to the Petition on 28.09.2026.

Methodology for computation of Energy Charge Rate

5. Regulation 45.5 of MYT Regulations, 2021 specifies methodology and principle for determination of energy charges of thermal power generating stations. The same has been followed for determining energy charge rate for the aforesaid power plant. The Regulation reads as under:

"45.5. The energy charge shall cover the fuel cost (primary fuel as well as secondary fuel), and shall be payable by every beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on ex-power plant basis, at the energy charge rate of the month. Total Energy charge payable to the generating company for a month shall be:

(Energy charge rate in Rs./kWh) x {Scheduled energy (ex-bus) for the month in kwh.)

Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined up to three decimal places in accordance with the following formulae for coal-based stations:

ECR: [{(GHR- SFC x CVSF) x LPPF/ CVPF}+ SFC x LPSFi] x 100 /(100- AUX)

Where,

AUX : Normative auxiliary energy consumption in percentage.

CVPF=(a) Gross calorific value of primary fuel as received at generating station, in kCal per kg, per litre or per standard cubic meter, as applicable after prudence check.

Provided where arrangements for taking samples for 'as received basis' is not in place, GCV of coal as received may be computed from GCV of coal "as billed"

Adjustment for total moistures shall be computed as per the CERC formula given as under:

GCV x (l-TM) (1-IM)

Where, GCV = Gross calorific value of coal TM = Total Moisture

IM : Inherent Moisture

(b) Weighted Average Gross calorific value of coal as received, in kCal per kg for coal-based stations less 85 Kcal/kg on account of variation during storage at generating station;

Provided that at the time of true-up the GCV of coal on account of variation during storage at generating station shall be allowed at maximum value of 85 Kcal/kg.

(c) In case of blending of fuel received through different sources, the weighted average Gross calorific value of primary fuel shall be arrived in proportion to blending ratio;

CVSF : Calorific value of secondary fuel, in kCal per ml.

ECR : Energy charge rate, in Rupees per kWh sent out.

GHR : Gross station heat rate, in kCal per kWh.

LPPF : Weighted average landed price of primary fuel, in Rupees per kg, per litre or per standard cubic meter, as applicable, during the month.

Provided that, in case of blending of fuel from different sources, the weighted average, landed cost of the primary fuel shall be arrived by considering the blending ratio.

Provided that, in case of primary fuel supply from integrated mines, the cost of fuel shall be computed in accordance with the regulations notified by CSERC. In the absence of State regulation, regulation notified by CERC shall be adopted. SFC= Specific fuel oil consumption, in ml per kWh.

LPSFi: Weighted Average Landed Price of Secondary Fuel in Rs./ml considered Initially."

Parameter for determination of Energy Charge Rate

Auxiliary Energy Consumption (AUX)

Petitioner's Submission

6. The Petitioner has submitted that the design auxiliary consumption of the instant generating station is 7.50%. Section 61(d) of the Act provides that the Petitioner is entitled to the complete recovery of actual energy charges, therefore, the Petitioner has considered the

norms of auxiliary energy consumption which result in such recovery.

7. The Petitioner further submitted that the Commission vide order dated 25.04.2020 passed in Petition No. 62 of 2017, has determined tariff considering Normative Auxiliary Energy Consumption at 5.75%.

8. The Petitioner submitted that under the aforementioned order, the Commission applied the CERC Tariff Regulations, 2014 for the purpose of determining the Auxiliary Energy Consumption. However, the said Regulations contain lower parameters as compared to the actual parameters of the Petitioner. However, since in tariff matters, the principle of res judicata does not normally apply, as held by the Hon'ble Supreme Court in its judgments, the Petitioner is claiming the actual Auxiliary Energy Consumption at the rate of 7.67% for the FY 2024-25.

9. It is stated that, the Auxiliary Energy Consumption has been at 7.67% for the FY 2024-25. This means that out of the 100% power generated by the Petitioner's 1200 MW generating plant, a fraction of aforementioned consumption of power is necessary to be consumed for the purpose of proper functioning of various equipment of the generating plant such as fans, motors, turbines etc. Without such specified percentage of auxiliary consumption, the Petitioner cannot at all run its power plant for the purpose of supply of power to the Respondent.

10. It is a settled principle of law that operational parameters have to be achievable, and in this context, reference be made to the judgment dated 10.04.2008 passed by the Hon'ble Appellate Tribunal for Electricity (APTEL) in Appeal Nos. 86 & 87 of 2007.

11. Therefore, when the operational norms are not achievable, then the Commission is required to re-work the said norms so that the same results in recovery of cost, which is mandated under Section 61 (d) of the Act. Hence, the Petitioner ought to be allowed the Auxiliary Energy Consumption of 7.67%, for the FY 2024-25.

Respondent's Submission

12. The Respondent has submitted that Petitioner has stated that the applicable normative auxiliary power consumption for its plant is 5.75% while omitting to mention the type of thermal generating station it operates. The Respondent submitted that the auxiliary energy consumption maybe determined and allowed after carrying out the prudence check, if the actual value of auxiliary energy consumption is lower than the normative value as provided in CSERC MYT Regulations, 2021, then the actual lower value of auxiliary energy consumption should be taken for calculation of ECR.

Commission's View

13. We have considered the above submissions. It is pertinent to mention here that Regulation 43.5 of CSERC MYT Regulation, 2021, specifies normative Auxiliary Energy Consumption for thermal plant having capacity of 300 MW. Therefore, the Commission has considered norms for auxiliary energy consumption for the Petitioner's power plant having steam driven boiler feed pump with induced draft cooling towers as 5.75% (5.25%+0.50%) for FY 2024-25. The Petitioner has submitted actual auxiliary energy consumption for FY 2024-25 i.e. 7.67%.

14. In accordance with the CSERC MYT Regulations, 2021, the Commission has to compute normative ECR and actual ECR for sharing of gains/losses. Therefore, the Commission has considered normative Auxiliary Energy Consumption and actual Auxiliary Energy Consumption for computation of final ECR. Therefore, contention of respondent for considering lower Auxiliary Energy Consumption only, cannot be accepted.

15. In view of the above, the Commission after prudence check, has considered 5.75% as normative Auxiliary Energy Consumption and 7.67% as actual auxiliary consumption for sharing of gains/losses.

Table 2: Auxiliary energy Consumption

S. No.	Particular	Actual as submitted by the Petitioner	Normative as considered by the Commission	Actual as considered by the Commission
1	Auxiliary Energy Consumption (%)	7.67%	5.75%	7.67%

Gross Calorific Value of Primary Fuel (CVPF)

Petitioner's Submission

16. CVPF for FY 2024-25 as submitted by Petitioner is given in table below:

Table 3: Source wise GCV on "as received basis" as submitted by petitioner

S. No.	GCV for SHR Calculation	kCal	GCV on as received basis
1	Linkage Coal	kCal	3,420
2	E-Auction	kCal	3,450
3	Biomass	kCal	3,468
4	Washery Coal	kCal	3,417
5	Any Other source of procurement	kCal	3,654

Respondent's Submission

17. Respondent submitted that the Petitioner has not provided the exact values pertaining to Gross Calorific Value of the coal procured from various sources and conveniently taken value of GCV as 3349 kCal/kg. In view of this, Respondent has requested that the Petitioner may be directed to file document in support of gross calorific value of coal consumed in the relevant period for the determination of ECR and also to submit actual values of GCV of coal as used by it.

Commission's View

18. In the petition and subsequent additional submission, the Petitioner while computing ECR has deducted 85 kCal/kg from weighted average CVPF on 'as received basis' stating that the same is as per 45.5 of CSERC MYT Regulations, 2021. In this regard, it is pertinent to mention that the Petitioner has failed to provide CVPF on 'as fired basis' in the format provided by the Commission. Therefore, the Commission has not deducted 85 kCal/kg from weighted average CVPF on 'as received basis' for computing ECR in the present matter.

19. Accordingly, the Commission has considered CVPF as 3,432.85 kCal/kg for computation of ECR.

Table 4: Gross Calorific Value (CVPF) of Primary Fuel

Year	Unit	Petitioner's Submission	CVPF as considered by the Commission
FY 2024-25	kCal/kg	3,348.94	3,432.85

Calorific Value of Secondary Fuel (CVSF)

Petitioner's Submission

20. The Petitioner has submitted calorific value of secondary fuel as 10.79 kCal/ml for FY 2024-25.

Respondent's Submission

21. Respondent have made no submission in relation to calorific value of secondary fuel.

Commission's View

22. After prudence check of the secondary fuel bills, the Commission has considered calorific value of secondary fuel as 10.79 kCal/ml for FY 2024-25 for computation of energy charge rate.

Gross Station Heat Rate (GSHR)

Petitioner's Submission

23. In the Petition, the Petitioner has computed energy charge rate considering normative GSHR as 2390.00 kCal/kWh and actual GSHR as 2,442.47 kCal/kWh.

Respondent's Submission

24. Respondent submitted that the Petitioner has considered GSHR as 2442 kCal/kWh for computing ECR, which is higher than the normative value provided in Regulation Regulation 43.3 of the MYT Regulations, 2021. Further, the Respondent has submitted that as the actual data of Gross Station Heat Rate is more than the normative value i.e, 2390 kCal/kWh as provided in MYT Regulations, 2021, after prudence check, if the actual value of GSHR is more than the normative value as provided in Regulations, than the normative value of GSHR shall be taken for calculation of ECR.

Commission's View

25. Petitioner's plant has achieved COD on 30.03.2016, therefore, for the purpose of determination of tariff for FY 2024-25, plant will fall under category of 'existing generating station' as per CSERC MYT Regulations, 2021. Regulation 43.3 of CSERC MYT Regulations, 2021, specifies 2390 kCal/kWh for existing generating station of 300 MW capacity, therefore, the Commission has considered normative SHR as 2390 kCal/kWh for computation of normative SHR in the present matter.

26. In accordance with the CSERC MYT Regulations, 2021, the Commission has to compute normative ECR and actual ECR for sharing of gains/losses. Therefore, the Commission has considered normative SHR and actual SHR for computation of final ECR. Therefore, contention of respondent for considering lower SHR only, cannot be accepted.

27. In view of the above, the Commission after prudence check, has considered 2390 kCal/kWh as normative SHR and 2442.47 kCal/kWh as actual SHR for sharing of gains/losses.

Table 5: Gross Station Heat Rate

S. No.	Particular	Unit	Petitioner's Submission	Normative as considered by the Commission	Actual GSHR as considered by the Commission
1.	Gross Station Heat Rate	kCal/ kWh	2,442.47	2,390.00	2,442.47

Weighted Average Landed Price of Primary Fuel (LPPF)

Petitioner's Submission

28. The Petitioner has submitted that it has consumed linkage coal whose cost is fixed, along with e-auction, trader coal, washery coal and Biomass, prices of which were as per market. In addition to the foregoing, reliance is also placed upon the proviso to Regulation 45.5 of the CSERC MYT Regulations, 2021, which states that in case of blending of fuel from different sources, the weighted average, landed cost of the primary fuel shall be arrived by considering the blending ratio.

29. The Petitioner has computed energy charge rate considering actual landed price of primary fuel i.e. Rs. 2.516/kg which is LPPF of the coal procured from various sources for the FY 2024-25.

Respondent's Submission

30. Respondent submitted that as per Regulation (e)(iii) of the PPA dated 19.01.2015, the Petitioner is required to supply contracted capacity to Respondent using linkage coal only. But the Petitioner has included cost of coal procured through other sources apart from linkage coal

i.e. e-auction, open market in the landed cost of coal for calculation of energy charge rate which in violation of agreed terms of PPA. Thus, the cost of landed coal for supply of power to Respondent should be calculated only taking cost of linkage coal only. However, the Petitioner has not provided the detailed data of the linkage coal procured by it which was further used for supplying power to Respondent and therefore, it is requested that the Petitioner maybe directed to provide the same and only the cost of linkage coal be taken to determine the tariff of the power being supplied by Petitioner to Respondent.

31. The Respondent further submitted that the Petitioner may be directed to disclose complete source-wise details of the landed cost of coal procured during the relevant period, along with all supporting records including purchase invoices, transportation charges, handling charges, statutory levies and other incidental expenses forming part of the landed cost. The Petitioner may further be directed to furnish day-wise statements of coal procurement and consumption, indicating the quantity of coal received, quantity consumed, balance stock, and corresponding cost of each lot or batch of coal and only after proper prudence check of the aforesaid data the actual weighted landed cost of linkage coal consumed during the relevant period be ascertained for accurate determination of the Energy Charge Rate (ECR). Furthermore, the Respondent states that the Petitioner has included transit and handling loss of 0.8% for coal in computation of Landing Price of Primary Fuel without providing actual data for such losses.

32. Further, the Petitioner has sought reimbursement of the cost incurred towards mandatory blending of biomass pellets with coal pursuant to the policy/guidelines issued by the Ministry of Power regarding biomass co-firing in coal-based thermal power plants. In this regard, it is submitted that the Respondent is procuring power from the Petitioner at energy (variable) charges only under the Power Purchase Agreement dated 19.01.2015 and as per the terms of the

said PPA, the power contracted to be supplied to the Respondent is to be generated using linkage coal only. Accordingly, in the absence of contractual entitlement, regulatory determination, approved computation methodology and supporting evidence, the Petitioner's claim for reimbursement of cost towards biomass pellet blending is premature, unsubstantial and liable to be rejected

Commission's View

33. The Commission has considered submissions of the Petitioner and Respondent. The submission of the Respondent that cost of linkage coal should only be considered for computation of energy charge rate cannot be accepted as quantity of linkage coal supplied to the Petitioner was not sufficient for generating energy supplied to respondent during FY 2024-25, therefore, the Commission has to consider the coal supplied from other sources too. Based on aforesaid principle, the Commission has carried out prudence check of the information submitted by the petitioner. During prudence check, it is observed that the Petitioner has considered landed price of primary fuel same as received coal cost without taking into account transit and handling loss, therefore, the submission of the respondent is not correct that Petitioner has considered normative transit and handling loss of 0.8% while computing LPPF. Accordingly, the Commission has considered actual weighted average landed price of primary fuel for FY 2024-25 as Rs. 2.461/kg for computation actual ECR. The Commission has considered 0.8% normative transit and handling loss and hence, computed normative LPPF as Rs. 2.481/kg.

34. Further, the opening and closing stock of coal, is provided in the table below:

Table 6: Detail of Coal Stock

S. No.	Particular	Opening Stock		Purchase		Received in Stock Yard	Consumption as per book		Closing Stock	
		Qty in MT	Amount in Rs.	Qty in MT	Amount in Rs.	Qty in MT	Qty in MT	Amount in Rs.	Qty in MT	Amount in Rs.
1	Linkage Coal	70,059	136,357,210	1,843,423	3,771,931,922	1,849,967	1,902,169	3,694,740,029	7,348	15,444,951
2	E-Auction	56,383	187,319,640	1,905,082	6,161,178,873	1,907,290	1,688,926	5,312,829,668	208,292	806,869,359
3	Biomass	-	-	-	-	-	608	3,873,544	-	-
4	Washery Coal	-	-	37,018	155,271,696	35,710	17,453	69,287,451	0	-0
5	Any Other source of procurement						2,237,406	6,694,127,357		
6	**Total**	**126,442**	**323,676,851**	**3,785,523**	**10,088,382,491**	**3,792,967**	**5,846,562**	**15,774,858,050**	**215,640**	**822,314,310**

35. The approved landed price of coal is as under.

Table 7: Landed Price of Primary Fuel

S. No	Particular	As submitted by the Petitioner	As considered by the Commission
1.	Weighted Average Landed Price of Primary fuel (Rs/kg)	2.516	2.461

Specific Fuel Oil Consumption (SFC)

Petitioner's Submission

36. In the Petition, the Petitioner has computed normative ECR considering normative secondary fuel oil consumption 0.50 ml/kWh and actual ECR considering actual SFC 0.50 ml/kwh for the FY 2024-25.

Respondent's Submission

37. The Respondent has submitted that the Petitioner has submitted 0.14 ml/kWh as specific fuel oil consumption in its additional submission for determination of ECR. The Respondent has requested the Commission that after prudence check of the data provided by the Petitioner, if actual value of SFC is lower than the normative value as provided in MYT Regulations, 2021, then the actual lower value of SFC shall be taken for calculation of ECR.

Commission's View

38. In accordance with the CSERC MYT Regulations, 2021, the Commission has to compute normative ECR and actual ECR for sharing of gains/losses. Therefore, the Commission has considered

normative SFC and actual SFC for computation of final ECR. Therefore, contention of respondent for considering lower SFC only, cannot be accepted.

39. In view of the above, the Commission after prudence check, has considered 0.50 ml/kWh as normative SFC and 0.14 ml/kWh as actual SFC for sharing of gains/losses.

40. The Specific fuel oil consumption as approved by the Commission is given in table below:

Table 8: Secondary Fuel Oil Consumption

S. No.	Particular	Petitioner's Submission	Normative as considered by the Commission	Actual GSHR as considered by the Commission
1.	Secondary Fuel Oil Consumption (ml/kWh)	0.14	0.50	0.14

Weighted Average Landed Price of Secondary Fuel ($LPSF_i$)

Petitioner's Submission

41. In the Petition, the Petitioner has considered actual weighted average landed price of secondary fuel of Rs. 0.06/ml for the FY 2024-25 for computation of ECR.

Respondent's Submission

42. It is submitted that Petitioner has not provided the data for the secondary fuel procured by it which was further used for supplying power to Respondent and therefore, it is requested that the Petitioner

may be directed to provide the same and thorough prudence check of such data may be carried out.

Commission's View

43. The opening and closing stock of secondary fuel, is provided in the table below:

Table 9: Detail of Secondary fuel Stock

Particular	Opening Stock		Purchase		Consumption as per book		Closing Stock	
	Qty in KL	Amount in Rs.	Qty in KL	Amount in Rs.	Qty in KL	Amount in Rs.	Qty in KL	Amount in Rs.
HFO	1,671	86,578,348	-	-	147	7,070,737	98	4,725,797
LDO	2,226	162,939,432	1,676	104,395,625	995	62,378,189	390	24,169,355
Total	3,897	249,517,780	1,676	104,395,625	1,142	69,448,926	488	28,895,152

44. After prudence check of the information submitted by the Petitioner, the Commission has considered weighted average landed price of secondary fuel as Rs. 0.06/ml for FY 2024-25.

Table 10: Landed Price of Secondary Fuel

S. No	Particular	Unit	As submitted by the Petitioner	As considered by the Commission
1.	Weighted Average Landed price of Secondary fuel	Rs/ml	0.06	0.06

Energy charge rate considering sharing of gains and losses:

45. Regulation 11 of MYT Regulations, 2021 specifies controllable and uncontrollable factors which are as under:

"11.1 For the purpose of these Regulations, the term "uncontrollable factors" shall comprise of the following

factors, but not limited to, which were beyond the control of the applicant, and could not be mitigated by the applicant:

(a) ***Force Majeure events;***

(b) ***Change in law,***

(c) ***Judicial pronouncements,***

(d) ***Fuel prices i.e. price of coal, oil and all primary-secondary fuel;***

(e) ***Sales mix and quantum of sales;***

(f) ***Cost of power purchase;***

(g) ***Costs on account of inflation;***

(h) ***Taxes and Statutory levies.***

11.2. For the purpose of these Regulations, the term "Controllable factors" shall comprise of the following:

(a) ***Capitalization on account of cost overruns in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or circumstances beyond control of the generating company or the licensee, as the case may be.***

(b) ***Generation performance parameters like PLF, SHR, Auxiliary consumption, PAF etc;***

(c) ***Energy losses computed in accordance to Regulation 7 (d)Operation & Maintenance expenses;***

(d) ***Failure to meet the standards specified in the Standards of Performance Regulations, except where exempted;***

(e) ***Variation in Wires Availability and Supply Availability."***

46. MYT Regulations, 2021, specifies generation performance parameters like PLF, SHR, Auxiliary consumption, PAF as controllable factor. Regulation 13 of MYT, Regulations, 2021 specifies mechanism for sharing of gains and losses on account of controllable factors. Accordingly, aggregate net gain on account of over achievement or aggregate net loss on account of under achievement in reference to the norms set in tariff order for efficiency linked controllable items shall be passed on to the beneficiary/consumer(s) and retained by the generating company in the ratio of 1/3:2/3 in case of losses and 2/3:1/3 in case of gains.

Table 11: Energy Charge Rate (ECR)

S. No.	Particular	Unit	FY 2024-25			
			Petitioner's Submission		Approved by the Commission	
			Normative	Actual	Normative	Actual
1	Aux	%	5.75	7.67	5.75	7.67
2	CVPF	kCal /kg	3433.238	3348.935	3432.851	3432.851
3	CVSF	kCal /ml	10.79	10.79	10.79	10.79
4	GSHR	kCal/kWh	2390.00	2442.47	2390.00	2442.47
5	LPPF	Rs. /Kg	2.419	2.516	2.461	2.461
6	SFC	ml/kWh	0.50	0.14	0.50	0.14
7	LPSFI	Rs./ml	0.06	0.06	0.06	0.06
8	**ECR (Ex-Bus)**	**Rs./kWh**	**1.815**	**1.995**	**1.846**	**1.904**
9	**ECR (after sharing of Gains and Losses)**	**Rs./kWh**	**1.875**		**1.865**	

Interest on working capital

Petitioner's Submission

47. The petitioner submitted that he is entitled for interest on working capital as provided at Regulation 26 of the CSERC MYT Regulations, 2021. Accordingly, claimed interest on working capital @ Rs. 0.039/kWh for FY 2024-25.

Respondent's Submission

48. In this regard, Respondent has submitted that as per Regulation 37 of CSERC MYT Regulations, 2021, interest on working capital is part of annual fixed charges and thus it is not part of variable charge. Further, as per recital Regulation (e) of PPA dated 19.01.2015, Respondent is purchasing 5% of net power at variable charges and therefore any component of tariff which is not a variable cost cannot be recovered from the Respondent. Hence, Respondent has requested the Commission not to allow interest on working capital.

Commission's View

49. The Commission has already deliberated the issue of interest on working capital in order dated 25.04.2020 passed in petition no. 62 of 2017. Interest on working capital as claimed by the Petitioner, is part of the fixed cost component therefore the same cannot be allowed as a part of variable charge.

Reimbursement of water charges, statutory charges, duties and taxes on actual basis

Petitioner's Submission

50. The Petitioner requested the Commission to allow water charges, statutory charges, duties and taxes such as electricity duty on sale of power and on auxiliary consumption, environment development cess as separate pass through based on actual basis as they are variable in nature and directly linked with the generation from the power station. These are statutory in nature and restricting such expenses is beyond the control of the Petitioner.

Respondent's Submission

51. Respondent has submitted that the Petitioner is supplying only 5% of net power (i.e. Gross power generated-Auxiliary Consumption) at variable cost to the Respondent herein. Thus, there is no component of auxiliary consumption in power supplied to respondent herein and therefore the Petitioner cannot claim any reimbursement of electricity duty on auxiliary consumption. Further, even in the PPA signed between the Petitioner and the Respondent herein, there is no provision that provides for reimbursement of electricity duty on auxiliary consumption and hence the same shall be denied.

52. Respondent has further submitted that CSERC MYT Regulations, 2021, provides for recovery of operational and maintenance expense. The cost of water is covered under the Operational and Maintenance expenses therefore is a component of fixed charge. As the Petitioner is supplying 5% power at variable charge hence water charges are not payable being a component of fixed cost. Therefore, the Respondent requested the Commission not to allow water charges.

53. The Respondent has further submitted that the Petitioner has sought reimbursement of statutory duties, taxes, cess, levies, fees and other charges of a statutory nature. It is submitted that reimbursement of

such charges, if otherwise admissible, can only be allowed after the Commission conducts a prudence check and verifies the actual liability, supporting documents, and compliance with the applicable tariff regulations.

Commission's View

54. The Commission has considered the submissions of the parties. The CSERC MYT Regulations, 2021, provides for reimbursement of statutory taxes, such as electricity duty, cess, water charges etc. as pass through component. Accordingly, the Commission has allowed the Petitioner's claim and CSPDCL is required to pay to the Petitioner these charges namely water charges, electricity duty on auxiliary consumption and electricity duty on sale of electricity on actual basis. However, these charges shall be limited only to the proportion of quantum of power supplied to CSPDCL.

Expenses incurred towards ash handling, ash transportation and disposal system

Petitioner's Submission

55. The Petitioner has submitted that it has filed the present Petition seeking approval of Rs. 3,08,83,252 towards the cost incurred on transportation of ash disposal in compliance with the notifications issued by MoEF&CC and MoP.

Respondent's Submission

56. Respondent submitted that expenses incurred towards ash disposal is a part O&M expenses which is component of fixed charge. Further, Regulation 41 of CSERC MYT Regulations, 2021, specifies income from sale of ash as Non-Tariff income which is again a component of fixed charge as provided at Regulation 37 of CSERC MYT Regulations, 2021.

Further, the Respondent submitted that any provision related to change in law will also not apply in the instant case as per computation of ECR is independent of fly ash charges which is component of fixed cost. As, 5% of net generated power is being supplied at variable charges hence, the Petitioner is not entitled for payment of expenses incurred towards ash disposal.

Commission's View

57. Regarding claim of petitioner for reimbursement of Ash disposal/ transportation charges, the Commission has considered the submissions made by the parties. Although the issue has already been decided by the Hon'ble APTEL, CSPDCL has challenged the said decision before the Hon'ble Supreme Court and has also sought a stay on the operation of the decision, vide Civil Appeal Nos. 13532 of 2026 and 13967 of 2026. Accordingly, the matter is presently sub judice before the Hon'ble Supreme Court. In view of the pendency of the matter before the higher court, the Commission considers it appropriate to keep the matter in abeyance at this stage.

WRLDC Fees and Charges

Petitioner's Submission

58. The Petitioner has submitted that the fees and charges imposed by WRLDC should be allowed as a separate pass-through on actual incurred basis, as the same are variable in nature and directly linked with the generation of the power station. Therefore, the Petitioner requested the Commission to approve the reimbursement of WRLDC Fees and Charges which have been actually paid by the generating company to the extent of 5% share of CSPDCL.

Respondent's Submission

59. The Respondent has submitted that the Petitioner has not provided any data with respect to the WRLDC Fees and Charges. It is further submitted that reimbursement of WRLDC Fees and Charges shall be as per MYT Regulations, 2021 subject to 5% of net power supplied by Petitioner to Respondent.

Commission's View

60. As per applicable Regulations, the Respondent CSPDCL is mandated to pay load dispatch center charges on actual basis for the share of power purchased from Petitioner. Hence, the Commission is of the view that Load Dispatch Centre charges paid by the Petitioner shall be pass through on reimbursement basis.

Issue of recovery of petition filing fees and expenses incurred on publication of notices

Petitioner's Submission

61. The Petitioner has prayed for recovery of petition filing fee and expenses incurred on publication of notice from the beneficiary on actual incurred basis.

Respondent's Submission

62. Respondent has not submitted anything in relation to filing fees and expenses.

Commission's View

63. We have considered the claim of the Petitioner for reimbursement of filling fee and allowed them to recover the petition filling fee in accordance with the Regulation no. 82 of the CSERC MYT Regulations, 2021, which is as under;

"The application filing fee and the expenses incurred on publication of notices in the application for approval of tariff, be allowed to be recovered by the generating company or the transmission licensee/STU or the distribution licensee, as the case may be, directly from the beneficiaries or the transmission customers, as the case may be:"

64. In the light of the aforesaid provision, the claim of Petitioner is allowed. Accordingly, the Petitioner is at liberty to recover the said amount from the beneficiary i.e. CSPDCL.

Energy Charge Rate for FY 2026-27

65. For the generating stations whose tariff has been determined by the Commission, billing shall be undertaken in accordance with the latest tariff orders. For generating stations whose tariff has not yet been determined, billing shall be carried out at the provisional rate of Rs. 1.90/kWh.

Issue of recovery of carrying cost/holding cost

66. Regulation 32 and 26.4 of the CSERC MYT Regulations, 2021, provides for computation of applicable rate of carrying cost. The same are given below:

"32 The Commission shall compute carrying cost holding cost as the case may be for a particular year, at the rate equal to the rate of interest rate as allowed for computation of Interest on Working Capital Loan for the said year."

"26.4 Interest on working capital shall be estimated at the 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 truing-up, the interest on working capital shall be computed at an average actual sanctioned rate of interest during the year."

67. In view of the above, for the computation of carrying cost, the Petitioner was directed to submit the details of the actual working capital loans availed during FY 2024-25 as additional information along with supporting documents for prudent check. The Petitioner in its reply has submitted weighted average interest of rate of working capital loan as 8.78%.

68. After prudence check, the Commission decides to allow the petitioner to recover carrying cost or to pay holding cost, as the case may be, at a rate 8.78%. As this petition was filed timely, the carrying cost, if any, will be recoverable from the day amount became due. Holding cost, if any, will be paid from the date it became due. These costs should be computed in line with the computations done by the Commission while passing the tariff orders for State Power Companies.

Summary of truing up of energy charge rate of FY 2024-25

(i) Considering the gains and losses with respect to normative parameters, ex-bus energy charge rate for FY 2024-25 shall be Rs 1.865 per kWh as against the Petitioner's claim of Rs. 1.875 per kWh.

(i) During scrutiny the Commission has observed that the Petitioner has supplied approximately 4.52% of net generated energy during FY 2024-25.

(ii) It is observed that petitioner is getting coal sample tested in its own testing facility whereas applicable regulation provides for third party coal testing, therefore, the Petitioner is directed to have the GCV of the primary fuel tested by an independent third-party agency and submit the same for truing-up for future years.

69. We order accordingly.

Sd/-	**Sd/-**
(Ajay Kumar Singh)	**(Vivek Ganodwale)**
Member (Tech)	**Member (Law)**