CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION
RAIPUR

Chhattisgarh State Power Generation Co. Ltd. P. No. 02/2020 (T)
Chhattisgarh State Power Transmission Co. Ltd P. No. 03/2020 (T)
Chhattisgarh State Load Despatch Centre P. No. 04/2020 (T)
Chhattisgarh State Power Distribution Co. Ltd. P. No. 12/2020(T)

Present: D. S. Misra, Chairman
Arus Kumar Sharma, Member
Vinod Deshmukh, Member (Judicial)

In the matter of –

1. Chhattisgarh State Power Generation Company Ltd. (CSPGCL) Petition for final true-up for FY 2017-18 and FY 2018-19;
2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) Petition for final true-up for FY 2017-18 and FY 2018-19;
3. Chhattisgarh State Load Despatch Centre (CSLDC) Petition for final true-up for FY 2017-18 and FY 2018-19;

ORDER
(Passed on 30/05/2020)

1. As per provisions of the Electricity Act, 2003 (hereinafter referred to 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, 2015 (hereinafter referred to as ‘CSERC MYT

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Regulations, 2015) for determination of tariff for the generating company, licensees, and Chhattisgarh State Load Dispatch Centre (CSLDC).

2. This order is passed in respect of the petitions filed by the (i) Chhattisgarh State Power Generation Company Ltd. (CSPGCL) for approval of final true-up for FY 2017-18 and FY 2018-19, (ii) Chhattisgarh State Power Transmission Company Ltd. (CSPTEL) for approval of final true-up for FY 2017-18 and FY 2018-19, (iii) Chhattisgarh State Load Dispatch Centre (CSLDC) for approval of final true-up for FY 2017-18 and FY 2018-19.

3. Since the Chhattisgarh State Power Distribution Company Limited did not file any tariff petition, the Commission, by virtue of the direction issued by the APTEL Judgment dated November 11, 2011 in OP No. 01 of 2011, registered suo-moto petition No. 12 of 2020 on January 9, 2020 and proceeded with determination of tariff for the relevant year. However, in reply to the notice issued by the Commission, CSPCCL filed detailed petition for final true-up for FY 2017-18, provisional true-up for FY 2018-19, and determination of retail supply tariff for FY 2020-21.

4. This order is passed under the provisions of Section 32(2), Section 45, and Section 52 read with Section 86(1) of the Act. The Commission, before passing the combined order on the above petitions, has considered the documents filed along with the petitions, supplementary information obtained after technical validation, suggestions emerging from the applicant Companies, the consumers, their representatives and other stakeholders during the public hearing.

5. The petitions were made available on the Commission’s website. The petitions were also available at the offices of the petitioner. A public notice along with the gist of the petitions was also published in the newspapers and objections/suggestions were invited as per the procedure laid down in the Regulations. Further, the Commission conducted hearings on the petitions in its office at Raipur on 17th and 18th March 2022. The Commission also held a meeting with Members of the State Advisory Committee on March 16, 2020 for seeking their valuable suggestions and comments. The Commission has finalised its views, considering the suggestions/objections and after performing necessary due diligence on each of the issues.

6. The Commission has undertaken final true-up for FY 2017-18 and FY 2018-19 for CSPTEL, CSLDC and CSPGCL and for FY 2017-18 for CSPDCL, based on the audited accounts submitted by utilities and in accordance with the provisions of the CSERC MYT Regulations, 2015. Further, the Commission has undertaken provisional true-up for FY 2018-19 for CSPDCL based on the provisional accounts submitted by CSPDCL and in accordance with the provisions of the CSERC MYT Regulations, 2015. The final true-up for CSPDCL for FY 2018-19 shall be undertaken after filing of true-up petition by CSPDCL based on audited annual accounts for FY 2018-19, subject to prudence check.
7. In the Mid-Year Tariff (MYT) order passed on March 31, 2016, the Commission had approved the ARR and tariff for the control period from FY 2016-17 to FY 2020-21 for the utilities, in accordance with the provisions of the CSERC MYT Regulations, 2015. Further, the Commission passed the tariff order for FY 2017-18 on March 31, 2017 and for FY 2018-19 on March 26, 2018.

8. The revenue surplus (gsp) of CSPGCL, CSPTCL and CSLDC arising out of final true-up for FY 2017-18 and FY 2018-19, along with corresponding carrying holding cost, have been considered while computing the cumulative revenue surplus (gsp) to be allowed for CSPDCL for FY 2020-21.

9. After applying the holding cost of revenue surplus of CSPGCL for FY 2017-18 and FY 2018-19, the total revenue surplus up to FY 2020-21 has been approved as Rs. 239.77 cr.

10. After applying the holding cost on the revenue surplus of CSPTCL for FY 2017-18 and FY 2018-19, the total revenue surplus up to FY 2020-21 has been approved as Rs. 60.35 cr. Similarly, after applying the carrying cost on revenue gap of CSLDC for FY 2017-18 and FY 2018-19, the total revenue gap up to FY 2020-21 has been approved as Rs. 3.36 cr.

11. The revenue gap of CSPDCL after applying the carrying cost for FY 2017-18, FY 2018-19 upto FY 2020-21 is computed as Rs. 1,716.64 cr. The cumulative revenue surplus (gsp) of CSPGCL, CSPTCL, CSLDC, and CSPDCL for FY 2017-18 and FY 2018-19 along with carrying holding cost amounting to Rs. 1,537.69 Cr, has been considered in the ARR of CSPDCL for FY 2020-21.

12. The Commission notes that the State of Chhattisgarh is in a state of lockdown because of the COVID-19 pandemic. The Commission is conscious of the difficult conditions within the country and the State are going through. The Government of India has itself declared the prevailing situation as a force majeure event. The Commission appreciates that most industrial and commercial establishments have been shut down due to lockdown conditions. The prime function of the Commission is to protect the interest of the consumer and at the same time ensuring recovery of cost by the utilities.

13. The present circumstances are unforeseen and unprecedented. It is also true that extraordinary situations require extraordinary solutions. This is a matter of public interest and the Commission deems it fit to provide some relief to consumers and utilities in the State of Chhattisgarh in order to mitigate the difficulties being faced, to some extent, in the context of the all-out effort to contain the spread of COVID-19 pandemic.

14. As an immediate measure, the Commission, vide its order dated April 21, 2020, May 1, 2020 and May 6, 2020 in Petition No. 40, 46 & 47 of 2020 respectively, has already provided certain relaxation to generating companies, licensees and consumers in the State of Chhattisgarh, in order to mitigate the impact of COVID-19.
15. Further, the Government of India has announced AksharBharat special economic and comprehensive package on May 13, 2020, wherein liquidity infusion of Rs. 90,800 cr. is to be given to distribution licensees against receivables and loans against State Government Guarantees for discharging liabilities to Central Sector power utilities. Further, the Ministry of Power, vide letter No. 11/16/2020-Th-II dated 15th & 16th May 2020, directed that all Central Public Sector Generation Companies and Central Sector Public Transmission Company may consider to offer rebate of about 20-25% on power supply billed (fixed cost) and inter-State transmission charges, and deferment of fixed charges for power not scheduled without interest, etc. The Commission has considered the impact of such estimated rebate as Rs. 113.43 cr., while considering power purchase cost for FY 2020-21.

16. Further, it is noted that the Commission, in the MYT order dated March 31, 2016, had approved O&M Expenses for all Utilities by considering CPI increase of 9.05% and WPI increase of 6.77%, based on average of five years increase from FY 2010-11 to FY 2014-15. The Commission notes that actual indices in respect of CPI and WPI are available now, till FY 2019-20. The Commission has also undertaken true-up for FY 2017-18 and FY 2018-19 in this order based on the actual indices of CPI and WPI. Therefore, the Commission is of the view that, in the interest of consumers, it would be prudent to adopt the latest indices for computing normative O&M Expenses. The Commission, after exercising its inherent powers under the Act and CSERC MYT Regulations, 2015, decides to revise the normative O&M Expenses based on the actual indices available now. Hence, the Commission has revised O&M Expenses for FY 2020-21 by applying increase in CPI of 7.53 % and WPI of 1.68 % on O&M expenses for FY 2018-19 approved in this order.

17. The Commission, in the MYT order dated March 31, 2016 had approved capitalisation based on the Capital Investment Plan for MYT control period. Considering the likely impact of lockdown on implementation of the approved projects, the Commission has revised the capitalisation for CSPGCL and CSPTCL for FY 2020-21 and approved depreciation, interest on loan capital and return on equity accordingly.

18. Further, the Commission notes that it has approved Return on Equity for FY 2020-21 at 15.5% for CSPGCL, CSPTCL and CSLDC and at 16% for CSPDCL. The return on equity is nothing but the regulatory profit approved by the Commission in the present MYT framework. It is also noted that Central Sector Power companies have also provided relief to end consumer and took a hit on their returns. The Commission is of the view that it may not be prudent to allow the power utilities in the State to avail returns at such higher rate, keeping in view the severe difficulties being faced by the consumers because of COVID-19 pandemic. Hence, the reduction in rate of return is required to be considered for State utilities. Accordingly, the Commission shall, at time of truing up for FY 2020-21, consider the reduced rate of return for approving the return on equity.
19. Keeping in view the unusual hike in fuel prices, the Commission, in its tariff order for FY 2017-18 dated March 31, 2017, had revised the Energy Charge Rate(s) (ECR) for CSPGCL’s generating stations, except for ABVTPP for FY 2017-18. Further, the Commission vide its Order dated July 7, 2018 in Petition No. 31 of 2018 has approved Energy Charge Rate for FY 2020-21 for ABVTPP. The existing EDR in the orders are shall be continued for FY 2020-21 as well. As discussed earlier, after considering the reduction in O&M Expenses and capitalisation, the Annual Fixed Cost (AFC) and Energy Charge Rate for CSPGCL stations approved by the Commission for FY 2020-21, are as under:

### Thermal Power Stations

<table>
<thead>
<tr>
<th>Sl.</th>
<th>particulars</th>
<th>units</th>
<th>FY 2020-21</th>
</tr>
</thead>
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<tr>
<td></td>
<td></td>
<td>KTPS</td>
<td>HTPS</td>
</tr>
<tr>
<td>1</td>
<td>annual fixed cost</td>
<td>Rs. Cr.</td>
<td>263.20</td>
</tr>
<tr>
<td>2</td>
<td>energy charge rate (with power plant basis)</td>
<td>Rs/kWh</td>
<td>1.927</td>
</tr>
<tr>
<td>3</td>
<td>contribution to pension &amp; gratuity (P&amp;G)</td>
<td>Rs. Cr.</td>
<td>65.60</td>
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### Hydro Power Station (Naldeo Range)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>particulars</th>
<th>units</th>
<th>FY 2020-21</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>approved annual fixed cost</td>
<td>Rs. Cr.</td>
<td>25.60</td>
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<tr>
<td>2</td>
<td>approved net generation</td>
<td>MU</td>
<td>271.26</td>
</tr>
<tr>
<td>3</td>
<td>approved tariff</td>
<td>Rs/kWh</td>
<td>0.944</td>
</tr>
<tr>
<td>4</td>
<td>contribution to P&amp;G</td>
<td>Rs. Cr.</td>
<td>4.53</td>
</tr>
</tbody>
</table>

### CSPTCL: Tariff for FY 2020-21

20. For CSPTCL, the transmission charge for FY 2020-21 shall be as under:

<table>
<thead>
<tr>
<th>Sl.</th>
<th>particulars</th>
<th>units</th>
<th>FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>ARR for CSPTCL (including contribution to pension and gratuity)</td>
<td>Rs. Cr.</td>
<td>1,002.42</td>
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<tr>
<td>B</td>
<td>Last year cumulative revenue surplus</td>
<td>Rs. Cr.</td>
<td>60.35</td>
</tr>
<tr>
<td>C</td>
<td>Net approved ARR (A-B)</td>
<td>Rs. Cr.</td>
<td>942.07</td>
</tr>
<tr>
<td>D</td>
<td>monthly transmission charges for medium-term and long-term open access consumers (C12)</td>
<td>Rs. Cr./month</td>
<td>78.51</td>
</tr>
<tr>
<td>5</td>
<td>short-term open access charges</td>
<td>Rs/kWh</td>
<td>0.3244</td>
</tr>
</tbody>
</table>

Further, transmission losses of 3% for the energy scheduled for transmission at the point or points of injection shall be recoverable from Open Access customers.
21. For CSLDC, the Commission has revised ARR to Rs. 13.71 Cr. for FY 2020-21. Accordingly, System Operation Charges are approved as Rs. 10.97 Cr. and Intra-State Market Operation Charges as Rs. 2.74 Cr. for FY 2020-21.

CSPDCL: Tariff for FY 2020-21

22. For FY 2020-21, CSPDCL has sought approval for ARR of Rs. 14,230.05 Cr. As against this, the Commission, after prudence check and due scrutiny, has approved the ARR at Rs. 12,486.90 Cr. The State Government subsidy has not been taken into account while approving the ARR of CSPDCL for FY 2020-21.

23. CSPDCL, in its petition for FY 2020-21, has sought approval for cumulative revenue gap of Rs. 3,559.17 Cr. pertaining to previous years. As against this, the Commission, after prudence check and due scrutiny, has arrived at a cumulative revenue gap of Rs. 1,716.64 Cr.

24. After adjusting the cumulative revenue surplus/gap combined for CSPGCL, CSPTCL, CSLDC and CSPDCL, the Commission has arrived at cumulative revenue gap of Rs. 1,537.69 Cr. for CSPDCL for FY 2020-21.

25. After considering the ARR and revenue from sale of electricity for FY 2020-21, stand-alone revenue surplus has been estimated at Rs. 1,324.69 Cr. After adjusting the cumulative revenue gap of Rs. 1,537.69 Cr. of previous years, the Commission approves net revenue gap of Rs. 213 Cr.

26. In order to mitigate the difficulties being faced because of the spread of COVID-19 pandemic, the Commission decides to continue with the existing Tariff approved for FY 2019-20 vide order dated February 28, 2019. Accordingly, the net ARR for recovery through tariff for FY 2020-21 has been approved as Rs. 13,812 Cr. for CSPDCL. Average Cost of Supply has been approved as Rs. 5.93/kWh, compared to Rs. 6.07/kWh for FY 2019-20.

27. The regulatory asset of Rs. 213 Cr. has been approved for FY 2020-21 and the same shall be considered for recovery through tariff in the next tariff order.

28. Though the Commission has decided to continue with the existing tariff as approved for FY 2019-20, certain terms and conditions of tariff have been further rationalised based on the suggestions and objections received from various stakeholders and Commission's analysis. Accordingly, the Commission has made following changes in this order as compared to the previous tariff order.
(a) For the purpose of calculating load factor rebate, on energy charges, available to 'HV-4: Steel Industries' category, the maximum prescribed load factor has been scaled down from load factor of 77% and above to load factor of 70% and above.

(b) In case of excess supply to consumers (other than of HV-7 tariff category) having minimum contract demand of 150 MVA, and having captive generating plant(s) of capacity of at least 150 MW, such consumers shall have to pay an additional demand charges of Rs. 20/kVA/month on the quantum of power spilled over and above its contract demand notwithstanding anything contained anywhere in this order. Further, energy consumed corresponding to excess supply shall be billed at normal tariff. This provision is intended to remove the difficulties being faced by such consumers in the event of outage of its COG.

(c) The hospitals run by charitable trusts, which avail supply at high voltage level shall now be covered under HV-6 category, which is having a comparatively lower tariff.

(d) Hospitals in the HV-3 tariff category shall be entitled for a discount of 5% on Energy Charges.

(e) Private clinics and nursing homes including X-ray units, diagnostic centres and pathological labs in the LV-2 tariff category shall be entitled for a discount of 5% on Energy Charges.

(f) Rice mills in the HV-3 tariff category shall be entitled for a discount of 5% on Energy Charges.

(g) Parallel operation charges payable by captive users and non-captive users shall be governed by the order dated 05/04/2019 passed in petition No. 09 of 2018 and its subsequent amendments from time to time.

20. For ready reference, the Tariff Schedule applicable in reference to this order is appended herewith as Schedule.

30. The order will be applicable from 1st June, 2020 and will remain in force till March 31, 2021 or till the issue of next tariff order, whichever is later. The terms and conditions of LV and HV tariff shall be read along with relaxation provided by the Commission vide its order dated April 21, 2020, May 1, 2020 and May 6, 2020 in Petition No. 40, 46 & 47 of 2020 respectively or any other order issued from time to time.

31. The Commission directs the companies to take appropriate steps to implement the tariff order.

(VINOD DESHMUKH) (ARUN KUMAR SHARMA) (D. S. MISRA)
MEMBER MEMBER CHAIRMAN

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