

**CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION
RAIPUR**



Chhattisgarh State Power Distribution Co. Ltd.	P. No. 64/2016(T)
Chhattisgarh State Power Transmission Co. Ltd	P. No. 65/2016(T)
Chhattisgarh State Power Generation Co. Ltd.	P. No. 66/2016(T)
Chhattisgarh State Load Dispatch Centre	P. No. 67/2016(T)

**Present: Narayan Singh, Chairman
Arun Kumar Sharma, Member**

In the matter of –

1. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) for final true up for FY 2015-16 and determination of Tariff for FY 2017-18;
2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for final true up for FY 2015-16;
3. Chhattisgarh State Power Generation Company Ltd. (CSPGCL) for final true up for FY 2015-16;
4. Chhattisgarh State Load Dispatch Centre (CSLDC) for final true up for FY 2015-16.

ORDER

(Passed on 31.03.2017)

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, 2015 (hereinafter referred as 'MYT Regulations, 2015') for determination of tariff for the generating company, licensees, and Chhattisgarh State Load Despatch Centre (CSLDC).
2. This Order is passed in respect of the Petitions filed by the (i) Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) for approval of final true up for FY 2015-16, and determination of tariff for FY 2017-18, (ii) Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for approval of final true up for FY 2015-16 and determination of tariff for FY 2017-18, (iii) Chhattisgarh State Power Generation Company Ltd. (CSPGCL) for approval of final true up for FY 2015-16, and (iv) Chhattisgarh State Load Dispatch Centre (CSLDC) for approval of final true up for FY 2015-16.
3. This Order is passed under the provisions of Section 32(3), Section 45 and 62 read with Section 86(1) of the Act. This combined Order is passed by the Commission on the four separate Petitions filed by CSPDCL, CSPTCL, CSPGCL, and CSLDC, after having considered all the information and documents filed with the said Petitions, the information submitted to the Commission after technical validation, and after having heard the applicant Companies, the consumers, their representatives and other stakeholders in the hearing held by the Commission.
4. The Petitions were made available on the website of the Commission as well as the Petitioners and were also made available at the offices of the Petitioners. A public notice along with the gist of the Petitions was also published in the newspapers. Suggestions/objections were invited as per the procedure laid down in the Regulations. Further, the Commission conducted hearings at Raipur on the Petitions on 08.02.2017, 09.02.2017, and 10.02.2017. The Commission also convened a

meeting with Members of the State Advisory Committee on 20.01.2017 for seeking their valuable suggestions and comments. Taking into account all the suggestions/objections and after performing necessary due diligence on each of the issues, the Commission has finalised its views.

5. The Commission has undertaken the final true up for FY 2015-16 for CSPDCL, CSPTCL, and CSPGCL in accordance with the provisions of the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2012 (hereinafter referred as 'MYT Regulations, 2012'). For CSLDC, the final true up for FY 2015-16 has been undertaken in accordance with the Chhattisgarh State Electricity Regulatory Commission (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2012.
6. In the Multi-Year Tariff (MYT) Order passed on March 31 2016, the Commission had approved the ARR for the Control Period from FY 2016-17 to FY 2020-21 for CSPGCL, CSPTCL, CSLDC and CSPDCL, and the Tariff for FY 2016-17 for CSPDCL in accordance with the provisions of the MYT Regulations, 2015. For CSPDCL, only the total power purchase cost has been revised for FY 2017-18, based on the revised sales projections and energy requirement.
7. In the truing up of FY 2015-16, the Commission had observed that CSPDCL has not claimed the Revenue Gap of FY 2013-14 and to that extent CSPDCL has understated the Revenue Gap/(Surplus) for FY 2015-16. The Commission has adjusted the revenue gap/(surplus) of CSPGCL, CSPTCL and CSLDC for FY 2013-14 in their respective ARRs for FY 2015-16. After adjusting the gap/(surplus) of previous years, the resultant revenue gap/(surplus) of CSPGCL, CSPTCL and CSLDC for FY 2015-16 have been considered while computing cumulative gap/(surplus) to be allowed for CSPDCL for FY 2017-18.
8. After applying the holding cost on surplus of CSPTCL for FY 2015-16, the total surplus upto FY 2017-18 has been approved as Rs. 112.99 Crore. After applying the carrying cost on deficit of CSPGCL for FY 2015-16, the total gap upto FY 2017-18

has been approved as Rs. 301.55 Crore. The surplus for CSLDC including holding cost upto FY 2017-18, has been approved as Rs. 3.12 Crore.

9. The standalone deficit for CSPDCL for FY 2015-16 has been approved as Rs. 397.44 Crore. The Commission has also considered the amortization of Regulatory Asset of Rs. 760 Crore in FY 2017-18.
10. The combined revenue gap of CSPDCL, CSPTCL, CSPGCL, and CSLDC for FY 2015-16 along with carrying cost has been considered in the ARR of CSPDCL for FY 2017-18. The cumulative revenue gap approved for CSPDCL for FY 2017-18 is Rs. 90.90 Crore
11. For CSPGCL, the ARR for FY 2017-18 was approved in MYT Order 2016 dated March 31, 2016. There were various representations from the stakeholders regarding the VCA levied to the consumers. In view of this the Commission has decided to re-visit the FCA charges of CSPGCL excluding Marwa TPP. It is observed that there was a significant increase in the landed price of coal with respect to the estimated figure in the Tariff Order FY 2016-17. The Commission asked CSPGCL to submit notifications of CIL and Govt. of India regarding prices of coal and other applicable taxes. Based on the notifications submitted by CSPGCL and the actual GCV of the coal and actual cost of the landed price of coal, the energy charge has been re-estimated in this Order for FY 2017-18. The revised estimated energy charge rate has been used as an input to determine power purchase cost for CSPDCL for FY 2017-18. Further, the Commission directs CSPGCL to bill FCA on the basis of actual GCV and actual cost of coal in FY 2017-18. The Annual Fixed Cost (AFC) and Energy Charge rate for CSPGCL stations for FY 2017-18 has been approved by the Commission as under :-

Thermal Power Stations

Sl.	Particulars	Units	FY 2017-18				
			KTPS	HTPS	DSPM	KWTPP	Marwa
1	Annual Fixed Cost	Rs. Crore	328.62	504.86	492.86	713.29	1871.72*
2	Energy Charge Rate (ex-bus)	Rs/kWh	1.927	1.487	1.545	1.264	1.20*

Sl.	Particulars	Units	FY 2017-18				
			KTPS	HTPS	DSPM	KWTPP	Marwa
	power plant basis)						
3	Contribution to P&G	Rs. Crore	50.59	52.37	8.60	8.47	19.13

*AFC and ECR for MARWA TPP is Provisional

Hydro Power Station (Hasdeo Bango)

Sl.	Particulars	Units	FY 2017-18
1	Approved ARR	Rs. Crore	25.00
2	Approved Net Generation	MU	271.26
3	Approved Tariff	Rs/kWh	0.922
4	Contribution to P&G	Rs. Crore	3.50

12. For CSPTCL, the Commission had determined ARR of Rs. 916.80 Crore for FY 2017-18 in MYT Order 2016 dated March 31, 2016. Transmission charge for FY 2017-18 shall be as under :-

Sl.	Particulars	Units	FY 2017-18
1	ARR for CSPTCL	Rs. Crore	916.80
2	Less: Past year cumulative revenue surplus	Rs. Crore	112.99
3	Net approved ARR	Rs. Crore	803.81
4	Monthly Transmission Charges for Medium and Long-term Open Access Consumers	Rs. Crore/month	66.98
5	Short-term Open Access Charges	Rs/kWh	0.2399

Further, Transmission losses at the rate of 3.22% for the energy scheduled for transmission at the point or points of injection shall be recoverable from open access customers.

13. For CSLDC, the Commission had determined ARR of Rs. 13.64 Crore for FY 2017-18 in MYT Order 2016 dated March 31, 2016.

14. CSPDCL has filed revised ARR for FY 2017-18 of Rs. 11,678.21Crore. The Commission after prudence check and due scrutiny has approved ARR at Rs. 12,183.62Crore, including the due FCA amount for December 2016 to March 2017.
15. It is noted that the State Government subsidy has not been taken into account while approving ARR of CSPDCL for FY 2017-18.
16. CSPDCL, in its Petition, has sought approval for cumulative surplus of Rs. 57.36Crore for FY 2017-18. However, as mentioned above, this cumulative surplus was overstated as CSPDCL had not considered the impact of the revenue gap/(surplus) of CSPTCL, CSPGCL, and CSLDC on account of final true-up for FY 2013-14 as approved in Tariff Order for FY 2015-16.
17. The Commission after prudence check and scrutiny has arrived at a cumulative revenue gap of Rs. 91.26 Crore for FY 2017-18 after adjusting the cumulative gap/(surplus) of CSPGCL, CSPTCL, and CSLDC, and amortization of Regulatory Asset of Rs. 760 Crore. Based on the above, the Commission has approved the revised Tariff Schedule.
18. The Commission has made the following changes in this Order as compared to the tariff categories approved in the previous Tariff Order:
 - a) The tariff for most of the consumer categories has been marginally increased in order to recover the approved revenue gap.
 - b) The tariffs for all consumer categories have been increased in such a manner that the cross-subsidies are reduced gradually, and the tariffs for most of the consumer categories is within the band of $\pm 20\%$ of Average Cost of Supply, as stipulated in the Tariff Policy notified by the Government of India.
 - c) In accordance with the Section 62(3) of EA 2003 providing for differentiation in tariff based on geographical position of any area, a new sub-category has been created under LV 5 – LT Industry, and considerably lower tariff has been determined for consumers located in the areas covered under "Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran" (notified vide Order dated August 22, 2005) and "Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran" (notified vide Order dated August 22, 2005).

- d) Based on CSPDCL's proposal the Commission has merged the part of existing HV-5: Low Load Factor Industries with HV-4: Steel Industries and HV-3: Other Industrial and General Purpose Non-Industrial based on load factor.
 - e) For consumers covered in TOD tariff, the Energy charges in the Peak Period to be billed at 115% instead of 130%. Similarly, during Non-Peak Period Energy charges to be billed at 90% instead of 75%.
 - f) Consumers under HV 4 category have been permitted to avail energy over and above 20% of their Contract Demand during off peak period. However, such additional energy consumed will not be considered while calculating their load factor.
 - g) 30% Load factor rebate has been given to Indian Railways on achieving load factor above 20%
 - h) Terms and Conditions for Start-up Power has been revised.
 - i) To promote cashless transaction, all banking charges/online payment charges through net banking or debit cards, have been waived off for consumers. Such charges shall be borne by CSPDCL.
 - j) For ready reference, the Tariff Schedule applicable in reference to this Order is appended herewith as **Schedule**.
- 19.** The Order will be applicable from 1stApril, 2017 and will remain in force till 31.03.2018 or till the issue of next Tariff Order, whichever is later. The Commission directs the Companies to take appropriate steps to implement the Tariff Order.

Sd/-
(ARUN KUMAR SHARMA)
MEMBER

Sd/-
(NARAYAN SINGH)
CHAIRMAN