

CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION

RAIPUR



Chhattisgarh State Power Generation Co. Ltd.	P. No. 09/2021 (T)
Chhattisgarh State Power Transmission Co. Ltd	P. No. 04/2021 (T)
Chhattisgarh State Load Despatch Centre	P. No. 05/2021 (T)
Chhattisgarh State Power Distribution Co. Ltd.	P. No. 03/2021 (T)

Present: **Hemant Verma, Chairman**
 Vinod Deshmukh, Member (Judicial)
 Pramod Kumar Gupta, Member

In the matter of –

1. Chhattisgarh State Power Generation Company Ltd. (CSPGCL) Petition for final true-up for FY 2019-20 and determination of ARR and Tariff for FY 2021-22;
2. Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) Petition for final true-up for FY 2019-20 and determination of ARR and Tariff of FY 2021-22;
3. Chhattisgarh State Load Despatch Centre (CSLDC) Petition for final true-up for FY 2019-20 and determination of ARR and Tariff of FY 2021-22;
4. Chhattisgarh State Power Distribution Company Ltd. (CSPDCL) Petition for final true-up for FY 2018-19 and FY 2019-20, and determination of ARR and Retail Supply Tariff for FY 2021-22.

ORDER

(Passed on 02/08/2021)

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

2. The Commission vide public notice CSERC letter 03/CSERC/Tariff 2020/1228 dated November 26, 2020 has notified the extension of CSERC MYT Regulations, 2015 for next year, i.e., FY 2021-22. Due to the intervening COVID-19 and subsequent lockdowns imposed, the new MYT Regulations could not be notified. Accordingly, the Generating Company(s) and Licensee(s) were informed to file the tariff petition for FY 2021-22 before 31st December, 2020 by adopting principles of CSERC MYT Regulations, 2015.
3. 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 2019-20 and determination of ARR and Tariff for FY 2021-22, (ii) Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) for approval of final true-up for FY 2019-20 and determination of ARR and Tariff for FY 2021-22, (iii) Chhattisgarh State Load Despatch Centre (CSLDC) for approval of final true-up for FY 2019-20 and determination of ARR and Tariff for FY 2021-22, (iv) Chhattisgarh State Power Distribution Company Limited (CSPDCL) for final true-up for FY 2018-19 and FY 2019-20, and determination of ARR and retail supply tariff for FY 2021-22.
4. This order is passed under the provisions of Section 32(3), Section 45, and Section 62 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 petitioners. 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. The Commission also held a meeting with Members of the State Advisory Committee on February 22, 2021 for

seeking their valuable suggestions and comments. Further, the Commission conducted Public Hearings in physical and video conferencing mode on the Petitions in its office at Raipur on 23rd and 24th February 2021. CSPDCL submitted the audited accounts for FY 2018-19 and FY 2019-20, and the details of the variation between the amounts claimed under provisional true-up and final true-up for the respective years. On account of the reconstitution of the Commission, the Commission conducted further Public Hearings in physical and video conferencing mode on the Petitions in its office at Raipur on 19th and 20th July 2021. 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 2019-20 for CSPTCL, CSLDC and CSPGCL and for FY 2018-19 and FY 2019-20 for CSPDCL, based on the audited accounts submitted by the Utilities and in accordance with the provisions of the CSERC MYT Regulations, 2015.
7. In the Multi-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 2019-20 on February 28, 2019 and for FY 2020-21 on May 30, 2020.
8. The Revenue Surplus/(Gap) of CSPGCL, CSPTCL and CSLDC arising out of final true-up for FY 2019-20, along with corresponding carrying/holding cost, have been considered while computing the cumulative Revenue Surplus/(Gap) to be allowed for CSPDCL for FY 2021-22.
9. After applying the holding cost on Revenue Gap of CSPGCL for FY 2019-20, the total Revenue Gap up to FY 2021-22 has been approved as Rs. 329.75 cr.
10. After applying the holding cost on the Revenue Surplus of CSPTCL for FY 2019-20, the total Revenue Surplus up to FY 2020-21 has been approved as Rs. 46.06 cr. Similarly, after applying the carrying cost on Revenue Surplus of CSLDC for FY 2019-20, the total Revenue Surplus up to FY 2021-22 has been approved as Rs. 3.63 cr.
11. The Commission has also considered the CSPGCL Revenue Surplus of Rs. 5.72 crore, arising out of the final tariff determination of CSPGCL's Small-Mini Hydro

Plants for FY 2017-18 to FY 2023-24, as approved in the order in Petition No. 16/2021, which has to be passed on to CSPDCL. Further, CSPGCL has retired the KTPS Station, and will be earning revenue from sale of scrap, which has not been considered under NTI of CSPGCL. The Commission has provisionally considered the NTI on this account as Rs. 10 crore, which shall be trueed based on actuals and prudence check at the time of true-up for FY 2021-22.

12. The cumulative Revenue Gap of CSPDCL after applying the carrying cost for FY 2018-19 and FY 2019-20 up to FY 2021-22 is computed as Rs. 2,235.39 cr. The cumulative Revenue Gap of CSPGCL, CSPTCL, CSLDC, and CSPDCL for FY 2018-19 and FY 2019-20 along with carrying cost amounting to Rs. 941.89 cr., has been considered in the ARR of CSPDCL for FY 2021-22.
13. The Commission notes that the whole country including the State of Chhattisgarh was under lockdown from March 2020 onwards because of the COVID-19 pandemic. The lockdown was lifted in a phased manner from June-July 2020 onwards. Even today, there are restrictions that need to be observed all around the country. The Government of India has declared the COVID-19 situation as a force majeure event. The Commission appreciates that most industrial and commercial establishments had to be shut down due to lockdown and have since, restarted.
14. The primary objective of the Commission is to protect the interest of the consumer and at the same time ensuring recovery of reasonable and justified cost by the utilities. The Commission in the previous Order had taken various steps to protect public interest and provided relief to the consumers and Utilities in the State of Chhattisgarh.
15. The Commission, vide its Orders dated April 21, 2020, May 1, 2020 and May 6, 2020 in Petition No. 40, 46 and 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.
16. The Commission had determined the cumulative Revenue Gap of Rs. 303.92 Crore in the Tariff Order of FY 2020-21 and for full recovery of that Gap, a tariff hike of 3% was required. However, the Commission was of the view that increase in Tariff in situation of COVID-19 pandemic would not be appropriate and the Commission decided to continue with the Tariff approved for FY 2019-20 vide Order dated

February 28, 2019. Further, in the Tariff Order of FY 2019-20 dated February 28, 2019, the Commission had reduced the prevailing Tariff to grant relief to the consumer.

17. Now, as the State is gradually recovering from the COVID-19 situation, the Commission is of view that the Tariff Structure needs to be revised, else the accumulated Revenue Gaps will keep increasing along with associated carrying cost, which will further burden the consumers at some later date.
18. The Commission, in the MYT Order dated March 31, 2016 had approved capitalisation based on the Capital Investment Plan (CIP) for MYT Control Period. As per the CIP Petition submitted by the Utilities and the impact of COVID-19 on implementation of the approved projects, the Commission has approved the capitalisation for CSPGCL, CSPTCL, CSLDC and CSPDCL for FY 2021-22 and approved depreciation, interest on loan capital and return on equity accordingly.

CSPGCL: Tariff for FY 2021-22

19. The Commission has approved cumulative Revenue Gap of Rs. 329.75 Crore up to FY 2021-22 for CSPGCL, which shall be separately billed by CSPGCL on a monthly basis, at the rate of Rs. 27.48 Crore per month.
20. The Annual Fixed Cost (AFC) and Energy Charge Rate for CSPGCL stations, approved by the Commission for FY 2021-22, are as under:

Thermal Power Stations

Sl.	Particulars	Units	HTPS	DSPM	KWTPP	ABVTPP
1	Annual Fixed Cost	Rs. Cr.	516.45	444.90	628.12	1526.18
2	Energy Charge Rate (ex-bus power plant basis)	Rs./kWh	1.501	1.555	1.270	1.400
3	Contribution to Pension & Gratuity (P&G)	Rs. Cr.	104.49	38.77	23.21	63.46

Hydro Power Station (Hasdeo Bango)

Sl. No.	Particulars	Units	FY 2021-22
1	Approved Annual Fixed Cost	Rs. Cr.	21.94
2	Approved Net Generation	MU	271.26

Sl. No.	Particulars	Units	FY 2021-22
3	Approved Tariff	Rs./kWh	0.809
4	Contribution to P&G	Rs. Cr.	3.30

The Contribution to Pension & Gratuity approved by the Commission shall be separately billed by CSPCGL on a monthly basis.

CSPTCL: Tariff for FY 2021-22

21. For CSPTCL, the Transmission Charge for FY 2021-22 shall be as under:

Sl.	Particulars	Units	FY 2021-22
A	ARR for CSPTCL (including contribution to pension and gratuity)	Rs. Cr.	1,025.74
B	<i>Less:</i> past year cumulative revenue surplus	Rs. Cr.	46.06
C	Net Approved ARR (A-B)	Rs. Cr.	979.67
D	Monthly Transmission Charges for Medium-term and Long-term Open Access Consumers (C/12)	Rs. Cr./month	81.64
5	Short-term Open Access Charges	Rs./kWh	0.3260

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.

CSLDC: Tariff for FY 2021-22

22. For CSLDC, the Commission has revised ARR to Rs. 11.30 Crore for FY 2021-22. Accordingly, System Operation Charges are approved as Rs. 9.04 Crore and Intra-State Market Operation Charges as Rs. 2.26 Crore for FY 2021-22.

CSPDCL: Tariff for FY 2021-22

23. For FY 2021-22, CSPDCL has sought approval for ARR of Rs. 13,523.60 cr. As against this, the Commission, after prudence check and due scrutiny, has approved the ARR at Rs. 13,416.12 cr. The State Government subsidy has not been taken into account while approving the ARR of CSPDCL for FY 2021-22. After considering the ARR and revenue from sale of electricity for FY 2021-22, stand-alone Revenue Surplus for FY 2021-22 has been estimated at Rs. 1,804.28 cr.

24. CSPDCL, in its Petition for FY 2021-22, has sought approval for cumulative Revenue Gap of Rs. 5,801.05 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. 2,235.39 cr.
25. After adjusting the cumulative Revenue Surplus/(Gap) of Rs. 2,746.18 Crore for CSPGCL, CSPTCL, CSLDC, and CSPDCL and the Regulatory Asset of CSPDCL, the Commission has arrived at cumulative Revenue Gap of Rs. 941.89 cr. for CSPDCL for FY 2021-22.
26. Accordingly, the net ARR for recovery through tariff for FY 2021-22 has been approved as Rs. 16,162.29 cr. for CSPDCL. The Average Cost of Supply has been approved as Rs. 6.41/kWh, compared to Rs. 5.93/kWh for FY 2020-21.
27. The Commission in the Tariff Order of FY 2019-20 dated February 28, 2020 had reduced tariff for consumer categories in order to adjust the Revenue Surplus of Rs. 539.92 Crore. Further, in the Tariff Order for FY 2020-21 dated May 30, 2020, the Commission had decided to continue with the tariff approved for FY 2019-20. In order to recover the cumulative Revenue Gap of Rs. 941.89 Crore, the Commission has approved increase in the category-wise Tariff for FY 2021-22.
28. The average increase required across all consumer categories is 6.19%, which translates to 37 paise/kWh, with the adjusted ACoS of Rs. 6.41/kWh. The Commission has revised the category-wise tariffs in such a manner that the cross-subsidies are reduced and are brought within $\pm 20\%$ of ACoS as stipulated in the Tariff Policy, 2016, to the extent possible. Further, the Commission has reverted to the category-wise tariffs approved for FY 2018-19 (tariff in force before the tariff reduction in FY 2019-20), and then adjusted the tariffs to achieve the revenue requirement, reduce cross-subsidies, while at the same time ensuring that no category is subjected to a tariff shock.
29. The Parallel Operation Charges (POC) rates have been revised from 4 paise/kWh to 13 paise/kWh.
30. As regards rationalisation of tariff categories and category-wise tariff, the Commission has made the following changes in this Order as compared to the tariff categories approved in the previous Tariff Order:

- a) Facilities like prayer hall, gymnasium, and club house within the housing society have been included in LV-1 Category.
- b) Export Oriented Textile Industries has been included along with the category of Information Technology at LV-6 and HV-8 in order to promote such industries as they regenerate employment in the State. Further a two-part tariff with reduced Demand Charges and Energy Charges has been introduced in this category such that they are cross-subsidised to some extent.
- c) Mushroom cultivation and fisheries have been added in HV-5 Category in line with the approach adopted for LV-3 Category.
- d) The load limit for single-phase connection for LV-1 and LV-2 category has been increased from 3 kW to 5 kW.
- e) The Commission has revised the Fixed Charges for LV-1 category and linked the Fixed Charges to the Connected Load. The Commission has considered three slabs for Fixed Charges, viz., Connected Load up to 5 kW, above 5 kW up to 10 kW, and above 10 kW. Both energy charges and fixed charges have been kept telescopic, which will enable the consumers in higher consumption slabs to also get the benefit of the lower energy charges in the lower consumption slabs and lower fixed charges in the lower slabs. Further, Domestic consumers shall be entitled for subsidy as per State Government Order, and their consumption shall be billed as per tariff LV-1.
- f) For all LV categories for whom Fixed Charges are applicable on the basis of Connected Load, if the Recorded Demand exceeds the Connected Load for any three consecutive months, then the Connected Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Connected Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly. Also, if the Recorded Demand is lower than the Connected Load for any three consecutive months, then the Connected Load can be restated to the highest demand recorded in these three months at the option of the consumer.
- g) In order to promote the health infrastructure in the rural areas, a discount of 7% on Energy Charges shall be applicable for private clinics, hospitals and nursing homes

including X-ray plant, diagnostic centres and pathological labs, situated in rural areas as defined by Government of Chhattisgarh and all areas in Bastar avem Dakshin Kshetra Adivasi Vikas Pradhikaran, and Sarguja avem Uttar Kshetra Adivasi Vikas Pradhikaran Notified Vide Order dated August 22, 2005.

- h) A discount of 15% on Energy Charges shall be applicable for defence establishments under Government of India under HV-3 category.
- i) A discount of 5% on Energy Charges shall be applicable for rice mills/Poha and murmura mills under HV-3 category.
- j) A discount of 10% on Energy Charges shall be applicable for exclusive oxygen plants connected up to 33 kV supply voltage under HV-3 category.
- k) In order to improve the overall Power Factor, the Commission has revised the floor level of Power Factor to 0.9 from 0.85, below which Power Factor surcharge shall be applicable on the entire consumption of the month at the rate of 35 paise/kWh or 75 paise/kWh as per existing dispensation.
- l) All categories of LV consumers in whose case power factor surcharge is applicable; shall be eligible for Power Factor incentive for Power Factor of above 0.95. Such incentive shall be payable @ 1% of the energy charges for each 0.01 increase or part thereof in power factor above 0.95 up to unity power factor.
- m) The consumers shall have the option to pay bills online or offline. However, bill amounts of more than five thousand rupees shall mandatorily be paid online. For bill amount less than or equal to five thousand rupees, consumer may pay the bill through cash or cheque or demand draft or electronic clearing system at designated counters of a bank or through credit or debit cards or online payment through distribution licensees' web portal or any digital mode of payment and any change or further addition in the mode of payment shall be more user friendly for the consumers than the prevailing system. Further, the distribution licensee may stipulate a suitable incentive or rebate for payment through online system for consumers who opt to pay bill amount less than or equal to five thousand rupees.
- n) The Steel Industries occupy a special place in the industrial and economical scene of the State. The COVID-19 pandemic has adversely affected the economy of the State as well as the State power Utilities. As the steel industry is the core industry

in the State and contributes significantly to the sales and revenue of CSPDCL, and generates employment as well as provides tax revenues to the State, the Load Factor rebate is extended to HV-4 category to enable the industry to compete in the market.

- o) In the Tariff Order for FY 2020-21, the Commission had provided Load Factor rebate for LV-4 Steel category for Load Factor equal to or higher than 63%. The Commission had capped the Load Factor rebate at 8%, to be achieved at 70 % Load Factor. Based on the need to improve the Load Factor of utilisation of power supply of this important category from CSPDCL, the Commission has provided Load Factor rebate for Load Factor equal to or higher than 50% and increased the cap for Load Factor to 25%, which is to be achieved at 74 % Load Factor. Since, the objective of the rebate is to increase the utilisation of power supply from CSPDCL, this facility of Load Factor rebate shall not be applicable to those consumers in HV-4 category having captive generating facility with installed capacity above 1 MW. This will encourage higher consumption by this subsidising category, which would improve the revenue of CSPDCL.
- p) In order to better utilise the surplus power available with CSPDCL especially during night off-peak hours, the tariff for night-time consumption has been reduced from 75% to 65% of normal rate of energy charge.
- q) In order to alleviate the difficulties related to billing based on accumulated meter reading and to improve the accountability of CSPDCL's officers, henceforth, if the bills are not issued consecutively for three months or more for any LT Consumer, billing on accumulated meter reading shall not be raised without approval of concerned Executive Engineer of CSPDCL.
31. The approved Tariff Schedule applicable is appended herewith as **Schedule**.
32. The Order will be applicable from 1st August, 2021 and will remain in force till March 31, 2022 or till the issue of next Tariff Order, whichever is later.
33. The Commission directs the Companies to take appropriate steps to implement the Tariff Order.

Sd/-
(PRAMOD KUMAR GUPTA)
MEMBER

Sd/-
(VINOD DESHMUKH)
MEMBER

Sd/-
(HEMANT VERMA)
CHAIRMAN