

Final True-up for FY 2021-22,  
And Re-Determination of Aggregate Revenue  
Requirement and Retail Tariff for  
FY 2023-24

Submitted to:

**Chhattisgarh State Electricity Regulatory Commission**

November 2022

CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED, RAIPUR

(A Government of Chhattisgarh Undertaking)

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A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a small flourish.

No. 02-04/RA&PM/RAC-1/1982

Raipur Dated: 25/11/2022

To,

The Secretary,  
Chhattisgarh State Electricity Regulatory Commission,  
Irrigation Colony, Shanti Nagar,  
Raipur, Chhattisgarh - 492 001

**Subject: Submission of Petition for approval of final True up of FY 2021-22, Re-determination of ARR and Retail Supply Tariff for FY 2023-24.**

Dear Sir,

In exercise of its powers conferred under section 61 of the Electricity Act, 2003, the Hon'ble Commission has issued the CSERC (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 and its subsequent amendments. The aforesaid regulations completed its term on 31.03.2022.

The Hon'ble Commission has finalized the CSERC (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, 2021 which has been notified on 18/11/2021.

The instant Petition contains Final True-up for the FY 2021-22, which is in accordance with CSERC (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 and its subsequent amendment and Re-determination of ARR for FY 2023-24; projections of revenue at existing tariff and charges and revenue gap and retail supply Tariff for FY 2023-24 in accordance with CSERC (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, 2021.

It is further submitted that CSPDCL has filed a review Petition bearing no. 51 of 2022 against the Order of Hon'ble Commission dated 13.04.2022 in Petition No. 75/2021 containing issues of disallowed expenditure in respect of Final True Up of FY 2018-19 and FY 2019-20 and determination of the ARR for the FY 2021-22. Hon'ble Commission vide its Order dated 05.08.2022 in Petition No. P.N 51 of 2022 disposed of the aforesaid Petition granting liberty to the Petitioner to include the points raised in the Review Petition in the Tariff Petition for 2023-24. Accordingly, the points raised in Review Petition are also included in the instant Petition at a separate chapter and revenue gap of the same has been included in the true up gap along with carrying cost.

The following documents are enclosed here for the kind perusal and approval by the Hon'ble Commission:

1. Formal Petition, Formats and Affidavit verifying the Petition along with authorization.
2. Petition Fee of Rs. 10,00,000/- (Rupees Ten Lakhs only) through RTGS No. UBINH22329622012, dated 25.11.2022 in accordance with item no. 15(c) of schedule-1 of CSERC (Fees and Charges) Regulation, 2009.



Petitioner requests Hon'ble Commission to kindly admit the aforesaid Petition and proceed further in the matter at the earliest. Further it also requests the Hon'ble Commission to kindly provide us an opportunity of personal hearing to further clarify/explain our submissions in respect of this Petition.

Thanking You,

Yours Faithfully,



Executive Director (RA&PM)

Enclosed: As above



BEFORE THE CHHATTISGARH STATE ELECTRICITY REGULATORY  
COMMISSION, RAIPUR

IN THE MATTER OF : Filing of the Petition for the approval of Final True-up for the FY 2021-22, Re-determination of ARR for FY 2023-24; projection of revenue at existing tariff and charges with revenue gap and determination of Retail Supply Tariff for the FY 2023-24 under Section 62 and 64 of the Electricity Act, 2003

AND

PETITION BY : Chhattisgarh State Power Distribution Company limited (hereinafter referred as "CSPDCL" or "the Petitioner" or Applicant)

The Applicant respectfully submits as under: -

1. The Petitioner is a distribution licensee in the areas as notified by the Government of Chhattisgarh (GoCG) under the CSEB Transfer Scheme Rules, 2010.
2. The Petitioner submits that the Hon'ble Commission has issued the following regulations namely, CSERC (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") and its subsequent amendments. Further Hon'ble Commission has finalized the CSERC (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, 2021 (hereinafter referred as "CSERC MYT Regulations, 2021") which has been notified on 18.11.2021.
3. CSPDCL is filing this Petition for the approval of Final True-up for the FY 2021-22 in accordance with the provisions of the CSERC MYT Regulations 2015 and, Re-determination of Tariff for FY 2023-24; projection of revenue at existing tariff and charges with revenue gap and determination of Retail Tariff for the FY 2023-24 in accordance with the provisions of CSERC MYT Regulations 2021.
4. Appeal no. 10290-10291 before Hon'ble Supreme Court containing issues related to Delayed Payment Surcharge, Sale of Surplus Power and 33 kV Distribution Loss Incentive and a writ Petition bearing no 1927/2016 before Hon'ble High Court of Chhattisgarh containing issues in Tariff Order dated 12th June 2014 passed by the Hon'ble Commission against final true up for FY 2011-12 and FY 2012-13 are pending. Further, Appeal No. 286 of 2017 against Tariff Order dated 31st March 2017 and Appeal No. 161 of 2021 against Tariff order 28.02.2019 is also pending before Hon'ble ATE. Though outcome of issues raised in aforesaid matters may have bearing on successive tariff orders, yet for the purpose of this Petition, all such issues have been considered in accordance with respective MYT Regulations and its amendments from time to time.

Further, this Petition is without prejudice to any recourse or exercise of any other remedy in respect of the MYT Regulations or/and any relevant provision under the Act.





5. The Petition also contains contents of the review Petition filed by CSPDCL against the Tariff Order dated 13.04.2022 which is in pursuance to CSERC directions to include the issues of review Petition in Annual Tariff Petition for FY 2023-24 through its Order dated 5.8.2022 in Petition no. 51 of 2022. Further the revenue impact of all such issues have also been included in the table of True Up gap for FY 2021-22 along with Carrying cost

6. That the present Petition is filed within the permitted timelines.

In light of the above, Petitioner most humbly submits the present Tariff Petition for kind consideration.

Dated:

Petitioner



Executive Director (RA&PM)

CSPDCL, Raipur.

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## NOTES AND ABBREVIATIONS

### In this Petition

- ✓ MYT Period is defined as control period of 3 years beginning from 01.04.2022 to 31.03.2025
- ✓ Ensuing Year is defined as Financial Year 2023-24
- ✓ Current Year is defined as Financial Year 2022-23
- ✓ Previous Year is separately defined as Financial Year 2021-22
- ✓ All currency figures used in this Petition, unless specifically stated otherwise, are in Rs. crore.

Abbrevlation	Full Description
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
CERC	Central Electricity Regulatory Commission
PGCIL	Power Grid Corporation India Limited
CGS	Central Generating Stations
Co-gen	Cogeneration Power Plant
CPP	Captive Power Plant
CSEB	Chhattisgarh State Electricity Board
CSERC	Chhattisgarh State Electricity Regulatory Commission
CSPDCL	Chhattisgarh State Power Distribution Company Limited
CSPGCL	Chhattisgarh State Power Generation Company Limited
CSPTCL	Chhattisgarh State Power Transmission Company Limited
CSPTdCL	Chhattisgarh State Power Trading Company Limited
EA - 2003	The Electricity Act 2003
FY	Financial Year
GoCG	Government of Chhattisgarh
GoI	Government of India
HT	High Tension
HV	High Voltage
IDC	Interest During Construction
IPP	Independent Power Project
kV	Kilo Volt
LT	Low Tension

Abbreviation	Full Description
LV	Low Voltage
MoP	Ministry of Power, Government of India
MU	Million Units
PLR	Prime lending rate
GFA	Gross Fixed Assets
MYT	Multi Year Tariff
NCE / NCES	Non-Conventional Energy Sources
SEB	State Electricity Board
SGS	State Generating Stations
S/s	Sub-Station
TO	Tariff Order
SLDC	State Load Dispatch Centre
SOC, MOC	System Operation Charges, Market Operation Charges
STOA	Short Term Open Access
WRPC	Western Region Power Committee





## 1. Background

- 1.1 Chhattisgarh State Electricity Board (CSEB) was a part of the erstwhile Madhya Pradesh Electricity Board (MPEB) till 2000. It became a separate entity with the formation of the State of Chhattisgarh. The board functioned as unified entity till December 2008 when the State Government notified a transfer scheme for unbundling it. The transfer scheme resulted in the formation of five successor entities for undertaking the functions of the erstwhile board. Chhattisgarh State Power Distribution Company Limited (CSPDCL) is one of the five successor entities, formed for undertaking the 'Distribution function' of CSEB. CSPDCL started its operations on 1st January 2009.
- 1.2 The Hon'ble Commission by exercising its powers conferred under Section 45, 46 and 62 read with Section 181(zf) of the Electricity Act 2003 (36 of 2003) issued CSERC (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 for the MYT Control period from FY 2016-17 to FY 2020-21 on 09<sup>th</sup> September 2015 and subsequent amendment issued on 16th June 2017. Further, due to Covid-19 condition Hon'ble Commission decided to extend the time period of MYT Regulations, 2015 upto 31.3.2022 through secretary CSERC Letter No. 03/CSERC/Tariff/2020/1229 dated 26.11.2020.
- 1.3 It is submitted that the present True-up of FY 2021-22 has been prepared in accordance with the Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2015.
- 1.4 Further, the Hon'ble Commission in its MYT Regulations, 2021 has directed the licensees to file Re-determination of ARR for FY 2023-24; and projection of revenue at existing tariff and charges with revenue gap and determination of tariff for ensuing year i.e. FY 2023-24. The relevant clauses of CSERC MYT Regulations 2021 are reproduced below.

5.7 (b) After first year of control period and onwards, the yearly true up petition shall comprise of:

(ii) For Distribution Wheeling and Retail Supply Business -

1. The truing up petition for preceding year(s).
2. Revised power purchase quantum/cost (if any), with details thereof for the ensuing year.
3. Revenue from existing tariffs and charges and projected revenue for the ensuing year.
4. Application for re-determination of ARR for the ensuing year along-with retail tariff proposal.

- 1.5 As per clause 10 of the Regulations:

10.2 .....The Distribution Licensee shall file an application for Truing up of the previous year(s) and determination of tariff for the ensuing year, within the time limit specified in these Regulations:

Provided that the generating company or STU/transmission licensee or distribution licensee, as the case may be, shall submit to the Commission information in such form as may be prescribed by the Commission, together with the Audited Accounts, extracts of books of account and such other



details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges.

10.3 In case the audited accounts are not available, the provisional truing up shall be done on the basis of un-audited / provisional account and shall be subject to further final truing up, as soon as the audited accounts is available.

10.4 The scope of the truing up shall be a comparison of the performance of the generating company or STU/transmission licensee or distribution licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following:

a) a comparison of the audited performance of the applicant for the previous financial year(s) with the approved forecast for such previous financial year(s), subject to the prudence check including pass-through of impact of uncontrollable factors;

b) Review of compliance with directives issued by the Commission from time to time;

c) Other relevant details, if any.

10.5 The net financial impact of true ups shall be accounted for as per the provisions of Regulation 12 and Regulation 13 considering the factors like inflation, natural calamity etc. by the Commission. The net financial impact shall be passed on annual basis.

1.6 Appeal no. 10290-10291 before Hon'ble Supreme Court containing issues related to Delayed Payment Surcharge, Sale of Surplus Power and 33 kV Distribution Loss Incentive and a writ Petition bearing no 1927/2016 before Hon'ble High Court of Chhattisgarh containing issues in Tariff Order dated 12th June 2014 passed by the Hon'ble Commission against final true up for FY 2011-12 and FY 2012-13 are pending. Further, Appeal No. 286 of 2017 against Tariff Order dated 31st March 2017 and Appeal No. 161 of 2021 against Tariff order 28.02.2019 is also pending before Hon'ble ATE. Though outcome of issues raised in aforesaid matters may have bearing on successive tariff orders, yet for the purpose of this Petition, all such issues have been considered in accordance with respective MYT Regulations and its amendments from time to time.

1.7 In light of the above the present Petition has been prepared in compliance to provisions under Section 61 and 62 of the Electricity Act, 2003 together with other relevant provisions of the Act and under CSERC (Conduct of Business) Regulations, 2009; CSERC (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 dated on 09th September 2015 and its subsequent amendment; and CSERC (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, 2021.

1.8 The Petition also contains contents of the review Petition filed by CSPDCL against the Tariff Order dated 13.04.2022 which is in pursuance to CSERC directions to include the issues of review Petition in annual Tariff Petition for FY 2023-24 through its Order dated 5.8.2022 in Petition no. 51 of 2022. Further the revenue impact of all such issues have also been included in the table of True Up gap for FY 2021-22 along with Carrying cost.





## 2. Contents of This Petition

2.1 The Petition has in details basis, assumptions and projections of individual elements constituting, basis of calculations, all assumptions, sources of data of components constituting the Final True up of FY 2021-22 and redetermination of ARR for FY 2023-24 along with the impact of issues raised in the review Petition bearing no. 51 of 2022.

The following sections explains in detail the basis and projected forecasts of the following elements for FY 2023-24:

- a. Determination of Aggregate Revenue Requirement by forecasting the following:
  - i. Energy Sales
  - ii. Distribution Loss and Energy Requirement
  - iii. Power Purchase from various sources to meet the Energy Requirement
- b. Determination of aggregate revenue requirement by replacing the actuals and forecasting the following costs, other income & Returns:
  1. Power Purchase Cost
  2. Transmission and SLDC charges
  3. O&M Expenses
  - a) HR Expenses
    - i. Employee Expenses
    - ii. Impact of Pay Revision
    - iii. Manpower deployed on Outsourcing basis.
  - b) M&G Expenses
  4. Pension and Gratuity Fund Contribution
  5. Depreciation
  6. Interest and Finance Charges
  7. Interest on Working Capital
  8. Return on Equity
  9. Provision for bad and doubtful debt
  10. Aggregate Revenue Requirement

Less:

11. Non- Tariff Income
12. Income from Other Business
13. Revenue on account of Open Access/ Wheeling Charges
14. Revenue from Sale of Surplus Power





2.2 The Projections for FY 2023-24 have been derived from the following:

- Computation of Total ARR as per the methodology adopted by CSERC for determination of expenses for each year of third control period.
- Computation of Revenue at existing Tariffs
- Determination of Gap between Revenue at existing Tariff & Cost

2.3 The Petition also contains contents of the review Petition filed by CSPDCL against the Tariff Order dated 13.04.2022 which is in pursuance to CSERC directions to include the issues of review Petition in annual Tariff Petition for FY 2023-24 through its Order dated 05.08.2022 in Petition no. 51 of 2022. Further the revenue impact of all such issues have also been included in the table of True Up gap for FY 2021-22 along with Carrying cost.



### 3. Regulatory Requirement of Filing Tariff Petition

#### Regulations

3.1 The Petition has been based on following regulations notified/ finalized by the Hon'ble Commission:

- i. CSERC (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 and CSERC (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) First Amendment Regulations, 2016 applicable for control period FY 2016-17 to FY 2021-22.
- ii. CSERC (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, 2021 applicable for control period FY 2022-23 to FY 2024-25.

3.2 The MYT Regulations 2015 have been referred for final true up of FY 2021-22.

3.3 The MYT Regulations 2021 have been referred for redetermination of ARR for FY 2023-24.

#### Tariff Orders

3.4 For the final true up of FY 2021-22 following orders have been considered:

- Tariff order dated 02.08.2021 wherein the Hon'ble Commission has approved ARR for the Period FY 2021-22.

3.5 There were certain instructions/advices/directions issued by the Commission. CSPDCL has endeavoured to ensure compliance to these instructions/advices/directions issued by the Commission and has structured its current Petition accordingly to capture the maximum information with respect to this Petition.

3.6 For Re-determination of Tariff for FY 2023-24, the projections have been made on the basis of the CSERC MYT Regulations 2021 and Tariff order dated 13.04.2022 wherein the Hon'ble Commission has determined the MYT ARR for the Control Period from FY 2022-23 to FY 2024-25.



#### 4. METHODOLOGY ADOPTED IN FILING OF THIS PETITION (INCLUDING CONSTRAINTS)

##### Methodology

- 4.1 CSPDCL is now submitting the final True up for the FY 2021-22 based on final accounts. It consists of details of actual expenditures made by CSPDCL and details of revenue received leading to actual revenue gap incurred from April 2021 to March 2022. The final True-up of CSPDCL for the FY 2021-22 is a measure of accounting gains / losses and expenditures incurred to carry forward the electricity distribution business. The Petitioner has proposed the final True-up of FY 2021-22 as per the provisions of applicable rules and regulations. It humbly requests the Hon'ble Commission to approve the final true up of FY 2021-22.
- 4.2 Impact of the issues raised in the Review Petition bearing No. 51 of 2022 has also been shown in separate chapter and its revenue impact has also been included in the true up gap of FY 2021-22.
- 4.3 Further, in accordance with the applicable provisions of CSERC MYT Regulations 2021, expenses and income have been projected for re-determination of ARR for the Period FY 2023-24.





**5. REVIEW APPLICATION ARISING OUT OF ORDER DATED 13.04.2022 PASSED IN Petition No. 75/2021(T) & IN PERSUANCE TO CSERC ORDER DATED 05.08.2022 IN PETITION NO. 51 OF 2022**

**1. Description of Petitioner:**

Petitioner is a deemed distribution licensee performing the business of supply of electricity to the consumers across the area of supply in the entire State of Chhattisgarh. The petitioner is a successor of erstwhile CSEB and undertakes the distributions functions of erstwhile Board in accordance with the terms and conditions of transfer scheme published by State Govt. w.e.f. 01.01.2009.

**2. Description of Respondent:**

Not applicable.

**3. Subject matter in brief including cause of action:**

That the Hon'ble Commission has issued Tariff Order dated 13.04.2022 (hereinafter referred as "Impugned Order" wherein it has undertaken final True up of FY 2020-21 in terms of Tariff Order dated 30.05.2020; and determined MYT-ARR for each year of control period for FY 2022-23, FY 2023-24 and FY 2024-25 and projected revenue from existing tariff and charges and determined cumulative revenue gap and retail supply tariff for FY 2022-23. In the same order Hon'ble commission also disposed review petition against Tariff Order dated 02.08.2021. Copy of Impugned Order is attached herewith as ANNEXURE- A1. The certified copy of the Impugned Order is received on 04.05.2022.

It is humbly submitted that the Petitioner had earlier filed a review petition against the order dated 02.08.2021 passed by the Hon'ble Commission in Petition No. 3 of 2020. Further, the Hon'ble Commission had directed the Petitioner to include the points of the review in the Tariff petition for the subsequent year. In accordance with the directions of the Hon'ble Commission, the Petitioner herein included the points raised in the Review Petition No. 54 of 2021 in the Tariff determination petition for the subsequent year. It is to be noted that the Hon'ble Commission had already passed order for truing up for the FY 2018-19 and 2019-20 and only limited point of review for those years was allowed to be raised in the tariff determination petitions of the subsequent year. However, the Hon'ble Commission while determining the tariff for the subsequent years has completely reopened the already trued up figures for the FY 2018-19 and 2019-20 even when the same were already decided and the Hon'ble Commission had only allowed reopening of selected parameters on the basis of review petition filed by the Respondent. Thus, the order of the Hon'ble Commission wherein it reviewed the complete tariff order which was already trued up in the tariff determination for the subsequent year suffers from legal infirmities and is liable to be set aside to the extent it reviewed parameters which was not raised in Review petition 54 of 2021.



It is further submitted that under review of order for FY 2021-22 Hon'ble Commission analysed power purchase expenses allowed to CSPDCL for FY 2018-19 and FY 2019-20, and on its own decided to deduct the expenditure of Rs. 488.69 Cr. under the head of "Other charges under Central Generating Stations (CGS)" being provision for power banking in FY 2018-19 & also deducted Rs.154.67 crore towards provisioning of RPO /REC in FY 2019-20.

The issue of deduction of Rs. 488.69 crore in FY 2018-19, the Commission has not considered the reversal entry of Rs. 388.54 crore in FY 19-20 which is made in accounts to neutralize the unutilized provisions. Had this reversal entry not been made in the account, the actual power purchase expenses towards central generating stations ought to be increased to Rs. 3846.33 crore instead of audited figures of Rs. 3457.73 crore.

The aforesaid deduction has ignored the standard accounting practice of making provisions for the expenses which are to be incurred during the year and thus increase the expenses during that year. However, the unutilized provisions are reversed during the next year through a negative entry thereby reducing the expenses in the year of reversal. Under standard practice the expenses are claimed as per audited accounts which include the new provisions created during the year and reversal of the unutilized provisions during the previous year. Thus, the impact of provisioning is considered on a net basis. Mere consideration of deducting Rs. 488.69 Cr. in FY 2018-19 (as provisioning for expenses) without adding Rs. 388.54 Cr. in FY 2019-20 (negative entry to reverse unutilized provisions) has caused double jeopardy to petitioner.

The present review petition is filed to reconsider disallowance of Rs.388.54 crore in respect of provisioning of banking in power purchase expenses of FY 2018-19.

According to Order 47 Rule-1 of Civil Procedure Code read with section 94(1)(f) of Electricity Act 2003 and Rule 23 of CSERC (Conduct of Business) Regulations 2009, any aggrieved person can prefer a review petition to correct the error if it has discovered any important matter or evidence that could not be produced at the time of original proceedings.

Hence this petition is submitted to reconsider the effects of disallowing provisioning's in banking for FY 18-19 and pursuant to such disallowing reconsider review of power purchase expenses for FY 2019-20.

**4. The Provision of the Act or regulation under which the proceeding initiated/relief claimed:**

The relief is claimed under Order 47 Rule-1 of Civil Procedure Code read with section 94(1)(f) of Electricity Act 2003 and Rule 33(a) of CSERC (details to be furnished by licensee or generating company for determination of tariff and manner of making application) Regulation, 2004.

**5. Statement of limitation:**

According to Rule 33(a) of CSERC (Details to be furnished by licensee of generating company for determination of tariff and manner of making application) Regulation, 2004 (No. 6 of 2004) the time limit to file review petition is 60 days from the date of Tariff Order. The detailed



Impugned Order is issued on 04.05.2022 and the certified copy of the same was received on 04.05.2022. Accordingly, the review petition is required to be submitted by 05.07.2022. The Review Petition was submitted within the required time limits and the Commission vide Order dated 5.8.2022 has directed CSPDCL to include the issue involved in the Review Petition along with the present Petition.

**6. Statement of jurisdiction:**

Hon'ble Commission has jurisdiction to consider the present petition according to section 94(1)(f) of Electricity Act 2003 read with Order 47 Rule-1 of Civil Procedure Code 1908.

**7. Facts of the case in details:**

That the instant review petition is preferred against the impugned order dated 13.04.2022 passed in Petition No. 75 of 2021 wherein the Hon'ble Commission while truing up for FY 2020-21 has reopened the complete trued up parameters of the FY 2018-19 and 2019-20 even when no review was preferred against such parameters.

It is humbly submitted that the Petitioner herein had initially preferred a review petition against some parameters the Petition No. 03 of 2021 and that review petition was registered as Petition No. 54 of 2021. Further, while deciding the review Petition, the Hon'ble Commission had directed the Petitioner to include the details of such parameters in the tariff determination petition for the subsequent years.


That as per the directions of the Hon'ble Commission, the Petitioner herein included the parameters for which it had filed review petition in the tariff determination petition 75 of 2021. It is to be noted that the Petitioner had included those parameters with respect to which it had filed review petition as the same was directed by the Hon'ble Commission. However, the Hon'ble Commission while deciding the Petition No. 75 of 2021 which was for truing up of the FY 2020-21, reviewed the already trued up figures of the FY 2018-19 and 2019-20 even when no prior order with respect to review of such parameters was passed by the Hon'ble Commission.

It is humbly submitted that the Hon'ble Commission has inadvertently erred by reopening the trued-up tariff figure of the past years in the tariff determination petition for the subsequent year due to which the Petitioner has suffered huge losses and therefore, the instant review petition is filed.

It is further submitted that the Hon'ble Commission while redetermining the trued-up figures of the past years in Petition No. 75 of 2021 has committed accounting errors due to which Petitioner has suffered losses amounting to Rs. 488.69 crore. The accounting errors committed by the Hon'ble Commission is described below-

**A. Disallowance of provisioning of banking of Rs. 488.69 crore in FY 2018-19 causing negative impact on power purchase expenses from Central Generating Stations by Rs.388.54 crore during FY 2019-20:**

Hon'ble Commission has dealt up with this issue at clause 6.11 of impugned tariff order at page 174 to 176 and net impact at Table 6.16.

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That decision to disallow Rs. 488.69 crore is based on fiction and imagination which reveals from the phrase "It could be included in the 'Other charges' of Rs. 384.55 crore claimed and allowed in the true up for FY 19-20" and without taking into consideration the audited accounts submitted in support with final true up as well as Review petition. Relevant observation in impugned tariff order as given below:

*"It could be included in the 'Other charges' of Rs. 384.55 crore claimed and allowed in the true up for FY 19-20. Hence there is a credit amount of Rs. 100.16 crore which has been adjusted in the book of accounts of CSPDCL but which is yet to be adjusted in the regulatory accounts. In this order, on revised true up of FY 19-20, the Commission has not disallowed any expenses against provision for banking, in the absence of real data in this regard".*

That provisioning is an accounting process where in the provisions are created for the foreseen expenses and the unutilised provisions are being reversed during the subsequent years. That the Commission has disallowed the provisions created in FY 2018-19 without considering the impact of reversal of these provisions in FY 2019-20. That extracts of audited accounts (with GL entry) and constituents of approved power purchase expenses demonstrate that effect of non-considering reversal entry in account has caused disallowance of Rs. 388.54 crore in expenditure incurred in power purchase from Central Generating Stations (CGS) is shown in table below:

Source	Power Purchase Cost (in Rs. crore)		Disallowed expenses as per audited accounts
	Audited Accounts (with GL entry)	Approved in final true up	
CGS	4015.13 (E170101)	3626.59	383.54
CSPGCL	5782.65 (E170102)	5782.65	-
IEX/PXIL/TRAD	616.19 (E170104/108)	616.19	-
CPP/IPP/Short Term	522.4 (E170105)	522.40	-
Concessional Power	274.57 (E170104)	274.57	-
Others- Renewables	879.96 (E170106,107,110)	879.97	-
Transmission Charges	1368 (E170201)	1368	-
Other Miscellaneous Charges	7.94 (E170208/214)	(7.94)	-
Border Villages	6.38 (E170103)	6.38	-
Net DSM Charges	43.14 (E170116)	43.14	-
Gross Power Purchase Cost	13500.48	13111.95	388.54

That disallowance of provisioning of power banking in FY 2018-19 on one hand and allowing reversal entry to approve power purchase expenses in FY 2019-20 on other hand is

contradictory approach causing double jeopardy to petitioner. The observation that 'In this order on revised true up for FY 2019-20, the commission has not allowed any expenses against provision for power banking, in the absence of clear data' (page no. 176) is misconception as the petition was supported by audited accounts as well as replies to additional queries raised in data gaps.

However, with respect to the other issue of disallowance of provisioning of Rs. 154.67 Crore towards RPO and RE Purchase during FY 2019-20, it is submitted that the same that the Hon'ble Commission on its own reviewed this constituent of power purchase expenses of FY 2019-20 of Tariff Order dated 02.08.2021 without any reference from CSPDCL. Commission has dealt up with this issue at clause 6.10 of impugned tariff order at page 172 to 173 and at table 6.16 at page 178-179. Relevant observations to disallow the above claim is as given below: -

"Similarly, in the power purchase expense claimed by CSPDCL in the final true up of FY 2019-20, CSPDCL has claimed expenses of Rs.158.44 crore against 'Non-Solar REC's which was allowed by the Commission in the true up of FY 2019-20 in the impugned order for FY 2021-22".

CSPDCL at this moment has withdrawn the issue against disallowance of provisioning towards RPO and RE Purchase as there is no reversal entry for the same and the same is considered as a part of provision only.

**8. Law points involved in the matter, if any.**

That wide scope of "For any sufficient reasons" includes misconception of fact or law by any court. In the present case consideration of provisioning towards power banking for deduction in FY 2018-19 without taking into consideration the concurrent reversal entries in subsequent year i.e. FY 2019-20 and FY 2020-21 are the misconceptions leading to incorrect conclusions.

**9. Grounds Urged:**

For the reasons that aforesaid deduction affects financials and ability of petitioner adversely to carry supply business.

For the reasons that standard accounting practice of making provisions for expenses in its audited accounts in every financial year to increase the expenses during that year and reversing negative entry in next year thereby reducing the expenses in the year of reversal, has not been applied for consideration of power banking. Thus, the impact of provisioning is considered on a net basis. Mere consideration of deducting Rs. 488.69 Cr. in FY 2018-19 without adding Rs. 388.54 Cr. in FY 2019-20 has caused double jeopardy to petitioner.

For the reason that the Hon'ble Commission in the Petition 75 of 2021 has reopened the trued-up figures for FY 2018-19 and 2019-20 even though no review was sought with respect to those figures.



**10. Relief sought**

That in view of the submissions made above, it is humbly requested that the Hon'ble Commission may kindly consider and allow the present review petition and further pass an order -

1. May kindly allow the instant Review Petition.
2. Allow power purchase expenses of Rs.388.54 Cr. additionally under power purchase cost in respect of FY 2018-19 along with carrying cost.
3. To grant any other relief as the Hon'ble Commission may deem fit.

**11. Interim relief, if any.**

NIL

**12. Grounds for claiming relief**

12.1 The petitioner incurs expenditure towards supply of electricity wherein power purchase expenses forms a substantial portion. Any deduction over & above delayed payment charges cause financial distress and unfavourable situation.

12.2 Hon'ble Commission is requested to kindly allow the revenue gap of Rs. 518.03 Cr. including carrying cost of the Review Petition in cumulative revenue gap of this Petition.





## 6. Final True Up of FY 2021-22

### Number of Consumers, Connected load and Energy Sales within State

- 6.1 CSPDCL served nearly 60 Lakh consumers at LT level and has more than 3000 consumers at HV and EHV levels. CSPDCL further aims to manage the energy procurement and sales in the most efficient manner so that conflicting objectives of availability and cost are balanced to the benefit of consumers.
- 6.2 The final number of consumers under various categories for FY 2021-22 has been tabulated below:

Table 1 Category Wise Number of Consumers in FY 2021-22 (Nos.)

S No.	Consumer Category	Final True Up
A	LV	60,23,795
1	Domestic Including BPL Consumers	48,98,638
2	Non-Domestic (Normal Tariff)	3,01,381
3	Non-Domestic (Demand Based)	76,283
4	Agriculture Metered	4,89,664
5	Agriculture allied	3,676
6	LT Industry	36,660
7	Public Utilities	41,833
8	IT Industry	8
9	Temporary	1,75,652
B	EHV + HV	3,356
1	Railway Traction	25
2	Mines (Coal & Others)	117
3	Other Industry & General Purpose Non-Industrial	2385
4	Steel Industries	519
5	PWW, Irrigation & Agriculture allied activities	201
6	Residential Purpose	66
7	Start-up Power Tariff	33
8	Industries related to manufacturing of equipment for power generation from RE Sources	5
9	IT Industries	5
10	Temporary	-
C	Total (A+B)	60,27,151

- 6.3 CSPDCL humbly requests Hon'ble Commission to approve the actual number of consumers as 60,27,151 for FY 2021-22.



6.4 The connected load for FY 2021-22 has been tabulated below:

**Table 2 Category wise Connected Load in FY 2021-22 (MW)**

S No.	Consumer Category	Final True Up
<b>A</b>	<b>LV</b>	<b>6,908.31</b>
1	Domestic Including BPL Consumers	3,277.05
2	Non-Domestic (Normal Tariff)	310.83
3	Non-Domestic (Demand Based)	737.94
4	Agriculture Metered	1,258.15
5	Agriculture allied	26.96
6	LT Industry	757.52
7	Public Utilities	153.11
8	IT Industry	0.61
9	Temporary	386.19
<b>B</b>	<b>EHV + HV</b>	<b>3,393.50</b>
1	Railway Traction	401.20
2	Mines (Coal & Others)	215.25
3	Other Industry & General Purpose Non-Industrial	956.92
4	Steel Industries	1,614.09
5	PWW, Irrigation & Agriculture allied activities	75.27
6	Residential Purpose	56.75
7	Start-up Power Tariff	71.16
8	Industries related to manufacturing of equipment for power generation from RE Sources	1.24
9	IT Industries	1.64
10	Temporary	-
<b>C</b>	<b>Total (A+B)</b>	<b>10,301.81</b>

6.5 CSPDCL humbly requests Hon'ble Commission to approve connected load of 10,301.81 MW for FY 2021-22.

6.6 Category wise sales for FY 2021-22 in MU is tabulated below:

**Table 3 Category Wise Sales in FY 2021-22 (MU)**

S No.	Consumer Category	Tariff Order dated 02.08.2021	Final True Up
<b>A</b>	<b>LV</b>	<b>13,917.83</b>	<b>14,349.96</b>
1	Domestic Including BPL Consumers	6,595.60	6,223.74
2	Non-Domestic (Normal Tariff)	927.52	266.20
3	Non-Domestic (Demand Based)		741.51
4	Agriculture Metered	4,408.13	4,820.29
5	Agriculture allied	25.69	31.03
6	LT Industry	564.89	672.63
7	Public Utilities	442.18	466.06
8	IT Industry	0.08	1.20
9	Temporary	953.74	1,127.31
<b>B</b>	<b>EHV + HV</b>	<b>11,283.82</b>	<b>10,811.33</b>



S No.	Consumer Category	Tariff Order dated 02.08.2021	Final True Up
1	Railway Traction	1,085.30	1,159.65
2	Mines (Coal & Others)	737.32	682.98
3	Other Industry & General Purpose Non-Industrial	1,915.81	1,879.09
4	Steel Industries	7,173.41	6,691.62
5	PWW, Irrigation & Agriculture allied activities	185.04	191.27
6	Residential Purpose	171.68	177.91
7	Start-up Power Tariff	12.39	18.64
8	Industries related to manufacturing of equipment for power generation from RE Sources	2.39	2.92
9	IT Industries	0.48	7.24
10	Temporary	-	-
C	<b>Total (A+B)</b>	<b>25,201.65</b>	<b>25,161.29</b>

- 6.7 CSPDCL submits that actual sales recorded in FY 2021-22 is 25,161.29 MU. CSPDCL requests Hon'ble Commission to approve the sales for FY 2021-22 as 25,161.29 MU which consists of 14,349.96 MU sales to LT consumers and 10,811.33 MU to HT Consumers.

#### Energy Balance and Distribution Loss

- 6.8 CSPDCL submits that Clause 71.1 and 71.2 of CSERC Tariff Regulations, 2015 stipulates as under:

*"71.1. The energy loss for 33 KV and below voltage level, shall be evaluated taking into consideration the clause 4.2.5 and 8.4.3 of the State Grid Code 2011. The difference between the energy injected at 33 KV voltage level and the sum of energy sold to all its consumers (retail and open access), at voltage level 33 KV and below shall be the energy loss for the 33KV and below system. The same shall be considered for the gain/ loss at the time of true up.*

*71.2. Energy sold shall be the sum of metered sales and assessed unmetered sales, if any, based on prudence check by the Commission."*

- 6.9 In line with the provisions of above stated extracts of the CSERC MYT Regulations, CSPDCL has calculated the Distribution Losses as below for FY 2021-22:

**Table 4 Energy Balance for FY 2021-22**

S. No.	Particulars	Claimed in True Up for 2021-22
1	Input: Total Energy available (MU)	30,004.26
2	i. Available at 33 kV outgoing feeder	25,906.37
3	ii. Injected by CPP/IPP at 33/11kV S/s	305.92



S. No.	Particulars	Claimed In True Up for 2021-22
	iii. Available a EHV Level	3,791.97
4	Output: Total Energy Sales (MU)	25,161.29
5	i. LV Sales	14,349.96
6	ii. HV Sales	7,019.36
7	iii. EHV Sales	3,791.97
8	Energy Loss below 33 kV (MU) $\{(A_i + A_{ii}) - (B_i + B_{ii})\}$	4,842.97
9	Energy Loss below 33 kV (%) $\{C/(A_i+A_{ii}) * 100\}$	18.48%
10	Distribution Loss Including EHV Sales (MU) (A - B)	4,842.97
11	Distribution loss including EHV Sales (E/A*100)	16.14%

6.10 Accordingly, the Energy Balance as per the CSERC Tariff Regulations, 2015 is shown as under:

**Table 5 Energy Balance for FY 2021-22**

S No.	Particulars	Formula	Final True Up
1	LV Sales (A)	A	14,349.96
2	HV Sales (B)	B	7,019.36
3	Total Below EHV Level (A+B)	C=A+B	21,369.32
4	Distribution Loss below 33 kV (in %)	D=E/F	18.48%
5	Distribution Loss below 33 kV (in MU) (As per Energy Audit)	E	4,842.97
6	Gross Energy requirement at 33 kV Level	F=C+E	26,212.29
7	Less: Direct Input to distribution at 33 kV Level	G	305.92
8	Net Energy Input required at Distribution Periphery at 33 kV Level	H=F-G	25,906.37
9	Sales to EHV consumers	I	3,791.97
10	Net energy requirement at Distribution periphery	J=H+I	29,598.34
11	Distribution loss including EHV Sales (MU)	K	16.14%

6.11 CSPDCL humbly requests the Hon'ble Commission to approve the distribution losses as calculated in the above table. The detailed calculations have been provided in the technical formats R2A and R3.

#### **Incentive for Under Achievement of Distribution Loss**

6.12 The distribution loss and computation of incentives/ penalty with regards to achievement of 33 KV distribution loss level for FY 2021-22 is shown in the table below:



**Table 6 Incentive of Under Achievement of Distribution Losses**

<b>Particular</b>	<b>Legend</b>	<b>Figure</b>
Energy Input Considered for Distribution Business (MU)	A	29,698.34
Total Sales (MU)	B	25,161.29
Power Purchase Cost (Rs. Crore)	C	16,112.50
Gross Power Purchase Quantum (MU)	D	37,692.29
PPC Excluding Transmission Charges (Rs. Crore)	E	14,180.59
Power Sale to Marwa quantum (MU)	F	1,631.25
Less Power Sale of Marwa (Rs. Crore)	G	699.36
Net PPC for Loss Sharing (Rs. Crore)	H=E-G	13,481.24
Per Unit Power Purchase Cost (Rs./kWh)	I=H/D*10	3.58
Target Loss (%)	J	16.00%
Actual Distribution Loss (%)	K	18.48%
Under Achievement	L=K-J	2.48%
MU Shortfall	M=L*A	735.31
Loss Due to Under achievement (Rs. Crore)	N=M*I*1000/100	263.00
CSPDCL Share (Rs. Crore)	O=N/2	131.50

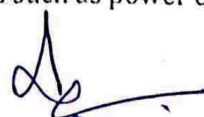
6.13 CSPDCL submits that as per the loss trajectory approved vide Commission's Order dated 2.8.2021 for the FY 2021-22 is 16%. However, as per the MoU signed under UDAY scheme the target for FY 2018-19 onwards the target set for CSPDCL was 15%. These targets were however flexible in nature and the relevant clause of MoU states that

*“However, if the target in particular year is not met, then the CSPDCL shall strive to achieve the targets in subsequent years so as to achieve the desired target “*

6.14 In consideration to the revised targets set by Hon'ble Commission due to signing of UDAY MoU, the Petitioner has computed the under achievement which demonstrates a deduction of 131.50 Crore from ARR. As the target revisions due to UDAY MoU did not involve any material revision to capital investment plan which is necessary for reduction of distribution losses, hence the Petitioner has not considered the aforesaid under achievement in its ARR. Further the Petitioner would humbly like to submit that Hon'ble Commission in backdrop of no revision in capital investment plan may kindly evaluate under achievement on the basis of pre revised targets. Hon'ble Commission has powers to relax the aforesaid provisions in pursuance to clause 83 of the MYT Regulations, 2015.

### **Power Purchase Expenses**

6.15 CSPDCL purchases power from difference sources such as Central Generating Stations, CSPGCL generating stations, Renewable energy sources such as Bio-mass, Solar, Wind and other RE sources, Concessional power from IPPs' through CSPDCL and other sources such as power exchanges etc. to meet the energy requirement of the State.





6.16 CSPDCL submits that the net power purchase cost as per final accounts is Rs.14,258.36 Cr. after removing the delayed payment surcharge.

6.17 CSPDCL further submits that it has purchased 308.67 MU through banking arrangement and has sold 718.68 MU through banking arrangement, the cost of both the transactions has been considered as NIL. This is in line with the judgement of Hon'ble APTEL dated 01<sup>st</sup> July 2014 in Appeal No.220 of 2013. The relevant extract of the judgement is reproduced below;

*"In the present case, the electricity is actually available to distribution licensee during financial year when it requires the electricity. The said electricity has been accounted for and has been supplied to the consumers but the same ought not to be taken for calculating the total quantum of electricity available with the distribution licensee during the year only for the purposes of calculation of APPC. We may further observe that there can be no notional cost attributed to such banked energy and the cost, if any, has to be included in the total power purchase cost of the distribution licensee when the corresponding electricity is supplied to the third party. In our view, the State Commission has correctly taken the price of the banked energy as available with the distribution licensee/HPSEBL at a zero cost. The banking is a continuous transaction. The principle of banking of energy is that the electricity received by the distribution licensee is to be returned. When the banked energy is rolled over, its return is only postponed. It is not that electricity is not to be received. The quantum of electricity to be returned would only increase in the subsequent years in future to compensate for the roll over and thereby increase the APPC substantially."*

6.18 The details of power purchase expenses incurred including transmission charges and net of interstate sales during FY 2021-22 are as provided in the table below:





Table 7 Power Purchase Expenses FY 2021-22

S No.	Source (2021-22)	Tariff Order Dated 02.08.2021				Final True Up				Difference	
		Quantum (MU)	Cost (Rs.-Cr)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs.-Cr)	Rate (Rs./kWh)	Quantum (MU)	Cost (Rs. Cr.)	Quantum (MU)	Cost (Rs. Cr.)
		(A)	(B)	(C)	(D)	(E)	(F)	(A-D)	(B-E)		
1	CGS	14,825.65	5,347.41	3.61	15,429.44	6,029.59	3.91	-603.79	-682.18		
a	NTPC sub-total	14236.4	5094.41	3.58	14,124.92	5,504.40	3.90	111.48	-409.99		
b	NTPC-SAIL (NSPCL)	280.46	158.8	5.66	272.28	127.67	4.69	8.18	31.13		
c	NPCIL	300.94	92.42	3.07	347.09	118.68	3.42	-46.15	-26.26		
d	Others	7.85	1.78	2.27	685.15	278.84	4.07	-677.30	-277.06		
e	Less: Rebate on account of COVID 19							0.00	0.00		
f	Other Charges					0.00		0.00	0.00		
2	State Generating Stations	18,866.84	6,058.09	3.21	16,416.06	5,892.84	3.59	2,450.78	165.25		
i	CSPGCL-Thermal	18493.71	5994.01	3.24	16,384.26	5,881.42	3.59	2,109.45	112.59		
ii	CSPGCL-Renewables	373.13	64.08	1.72	31.81	11.42	3.59	341.32	52.66		
3	Short Term Purchase	124.49	41.93	3.37	260.97	192.7146	7.38	-136.48	-150.78		
4	Concessional Power - Through CSPTrdCL	1,530.87	244.94	1.60	2,185.62	492.83	2.25	-654.75	-247.89		
5	Others - Renewables	2,111.33	1,109.36	5.25	2,340.46	1,329.12	5.68	-229.13	-219.76		
i	Biomass	686.28	442.44	6.45	951.38	622.36	6.54	-265.10	-179.92		
ii	Solar	960.33	428.32	4.46	934.21	414.63	4.44	26.12	13.69		
iii	Iydel/Other RE	464.72	143.62	3.09	454.87	292.14	6.42	9.85	-148.52		
iv	Solar and Non-Solar RECs		94.98					0.00	94.98		
v	Other Charges- RE							0.00	0.00		
vi	SECI							0.00	0.00		
6	Unscheduled Power	0	0	0	337.70	55.02	1.65	-337.78	-55.82		



S.No.	Source				Tariff Order Dated 02.08.2021				Final True Up				Difference	
	(2021-22)				Quantum	Cost	Rate	Quantum	Cost	Rate	Quantum	Cost (Rs. Cr.)	Quantum (MU)	Cost (Rs. Cr.)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
7	Transmission Charges	1644.6			1931.91								0.00	-287.31
i	Interstate Transmission Charges	603.93			957.53								0.00	-353.60
ii	Intrastate Transmission Charges	1025.74			962.50								0.00	63.24
iii	CSLDC Charges	14.93			11.87								0.00	3.06
vi	Less: Rebate in AFC on account of COVID 19				0.00								0.00	0.00
9	UI Purchase	0	0	0	198.10	4.81	411.73	198.10	4.81	411.73	198.10	4.81	-411.73	-198.10
10	Border Village	0	0	0	1.46	9.34	1.56	1.46	9.34	1.56	1.46	9.34	-1.56	-1.46
10	Banking Purchase	0	0	0	308.67		308.67	308.67		308.67	308.67		-308.67	0.00
11	Reactive Charges	0	0	0	7.15			7.15			7.15		0.00	-7.15
13	Gross Power Purchase Cost	37,459.18	14,446.33	3.86	16,112.50	4.27	37,692.29	16,112.50	4.27	37,692.29	16,112.50	4.27	-233.11	-1,666.17
14	Less: Adjustments	7,328.18	3,120.08	4.26	1,854.14	3.11	5,962.27	1,854.14	3.11	5,962.27	1,854.14	3.11	1,365.91	1,265.94
i	Sale to Telangana	6349.58	2850.96	4.49	699.36	4.29	1,631.25	699.36	4.29	1,631.25	699.36	4.29	4,718.33	2,151.60
ii	Sale of Surplus Power	978.6	269.12	2.75	1,126.57	3.50	3,214.89	1,126.57	3.50	3,214.89	1,126.57	3.50	-2,236.29	-857.45
iii	UI Sales				28.22	0.71	397.45	28.22	0.71	397.45	28.22	0.71	-397.45	-28.22
15	Banking Sale				-		718.68	-		718.68	-		-718.68	0.00
12	RRAS Settlement				19.03			19.03			19.03		0.00	-19.03
16	Net Power Purchase Cost	30,131.00	11,326.25	3.76	14,258.36	4.49	31,730.02	14,258.36	4.49	31,730.02	14,258.36	4.49	-1014.6	-2,932.11

*(Handwritten Signature)*



6.19 CSPDCL would like to submit that it has not claimed any expenditure towards delayed payment surcharge under the head of Gross power purchase.

6.20 CSPDCL humbly requests Hon'ble Commission to approve power purchase expenses of Rs. 14,258.36 Cr (including transmission charges of Rs. 1931.91 Cr) for FY 2021-22 as per the finalized accounts against Rs. 11326.25 Cr approved assessment made by Hon'ble Commission in tariff Order 02.08.2021. CSPDCL further submits that aforesaid expenses are worked out after adjusting revenue towards sale to Telangana and surplus sale and other receipts towards GBI claim, rebates and UI sales.

6.21 The details of power purchase expenses showing power purchase cost, interstate transmission charges SLDC charges are given below:

**Table 8 Summary of Power Purchase Cost for FY 2021-22**

Sr. No	Particulars	Tariff Order dated 02.08.2021	Final True Up	Difference
1	Net Power Purchase Cost	11,326.25	14,258.36	(2932.11)
2	Interstate Transmission charges (PGCIL)	603.93	957.53	(353.60)
3	Intrastate Transmission Charges	1025.74	962.50	63.24
4	CSLDC Charges	14.93	11.37	3.06

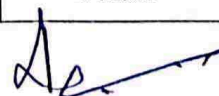
### Operation and Maintenance Expenses

6.22 As per the CSERC MYT Regulations, 2015, the Operation and Maintenance Expenses includes employee Expenses, A&G Expenses and R&M Expenses. The figures shown below are based on the finalized accounts for FY 2021-22 however, it is pertinent to mention that the audit is still in process and the expenditure towards O&M expenses are expected to change marginally.

6.23 With regards to employee expenses, CSPDCL submits that the actual employee expenses for the FY 2021-22 per the final accounts are tabulated below:

**Table 9 Employee Expenses 2021-22**

S No.	Particular	Tariff Order dated 02.08.2021	Final True Up (Rs. Cr)	Difference (Rs. Cr)
1.	Employee Expenses	947.51	848.85	98.66



6.24 CSPDCL request Hon'ble Commission to approve Rs 848.85 Cr. for employee expenses for FY 2021-22 based on final accounts as submitted above. The detailed breakup of employee expenses is provided in the technical format sheet no. F-15 and F-16 respectively.

6.25 CSPDCL most humbly likes to submit that major services involved in distribution business such as engagement of contract labour for operations of 33/11 kV substations, meter reading, bill distribution and revenue collection, secretarial assistance in offices, housekeeping and security guards are performed through outsourcing and are booked under the head of A&G and R&M. This is because a substantial strength of sanctioned posts under Class III and IV are vacant. Had they been performed through regular appointments; all such expenditures qualify good under employee expenses. It is in the interest of consumers that this part of distribution business is performed by CSPDCL at a marginal low cost. For taking reference, CSPDCL would like to submit the details of expenditures incurred towards each of the above service in the table given below. It is further requested to consider the expenditure indicated in the table below as employee expenses and further not to be given consideration under controllable expenditure. The methodology adopted by this Hon'ble commission is causing double jeopardy to CSPDCL as genuine expenditures incurred towards distribution business are currently disallowed.

**Table 10 Details of Expenses on Contract Manpower (Rs. Cr)**

S No.	Particulars	Final True Up	
		A&G Exp	R&M Exp
1	Security services	2.01	0.00
2	Meter reading and other manpower service contracts	97.02	0.00
3	33/11 kV operations & Other manpower service contracts	0.00	64.26
4	Grand Total	99.03	64.26

6.26 CSPDCL submits that the A&G and R&M expenses for FY 2021-22 based on the final accounts are tabulated below:

**Table 11 A&G and R&M Expenses for FY 2021-22 (As per Final Accounts)**

S No	Particular	Tariff Order Dated 02.08.2021	Final True Up	Difference
1	Net A&G Expenses	145.26	157.41	(12.15)
2	Net R&M Expenses	135.00	390.04	(255.04)
	Total	280.26	547.45	(267.19)





\* The figures approved by Hon'ble Commission in Tariff Order dated 2.8.2021 were normative A&G and R&M Expenses.

6.27 CSPDCL requests Hon'ble Commission to approve Rs.547.45 Cr as A&G and F&M expenses for FY 2021-22 based on final accounts as calculated above. The detailed breakup of R&M and A&G expenses is provided in technical format sheet no. F-14 and F-17 respectively.

### Sharing of Gain and (Losses) of O&M Expenses

6.28 As per Clause 57.4 (c) and (d) of CSERC Tariff Regulations 2015:

*"(e) The administrative and general expenses and repair and maintenance expenses, for the base year i.e. FY 2015-16, shall be derived on the basis of the normalized average of the actual administrative and general expenses and repair and maintenance expenses, respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2015-16, subject to prudence check by the Commission. Any expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.*

*(e) The normalization shall be done by applying last five-year average increase in Wholesale Price Index (WPI) on year to year basis. The average of normalized net present value for FY 2010-11 to FY 2014-15, shall then be used to project base year value for FY 2015-16. The base year value so arrived, shall be escalated by the above inflation rate to estimate the administrative and general expense and repair and maintenance expenses for each year of the control period.*

6.29 Accordingly submits that it has calculated the normative A&G and R&M expenses for the FY 2021-22 by escalating the normative A&G and R&M expenses of FY 2020-21 with the increase in WPI index.

6.30 The increase in WPI index in FY 2021-22 with respect to FY 2020-21 is 13.00%. The detail working of WPI escalation has been provided in Annexure A2.

6.31 Accordingly, normative A&G and R&M Expenses are tabulated below:

**Table 12 Normative A&G and R&M Expenses for FY 2021-22 (Rs. Cr.)**

S No.	Particular	Tariff Order Dated 02.08.2021	Final True Up
1.	A&G Expenses	145.26	154.14
2.	R&M Expenses	135.00	152.54

6.32 The gain or loss on O&M expenses based on the above calculations is tabulated below:



Table 13 Sharing of (Gain)/Loss for FY 2021-22 (Rs. Cr.)

Particular (Petition)	Revised Normative	Actual Expenses	Efficiency (Gain)/Loss	Entitlement of (Gain)/Loss	
				CSPDCL	Consumers
A&G Expenses	164.14	58.39	(105.75)	(52.88)	(52.83)
R&M Expenses	152.54	325.78	173.23	86.62	86.62
<b>Total</b>	<b>316.68</b>	<b>384.17</b>	<b>67.48</b>	<b>33.74</b>	<b>33.74</b>

6.33 CSPDCL would like to submit that it has computed sharing of (gain)/Loss after deducting actual expenses incurred towards engagement of outsourced labour to perform distribution business in lieu of amendments considered by Hon'ble Commission in present MYT Regulations, 2021.

6.34 CSPDCL would like to further submit that as per the provisions of the CSERC MYT Regulations, 2021 Hon'ble Commission has already made provisions to consider the expenses towards outsourced manpower expenses under the head employee expenses. Further as per clause 83 of CSERC MYT Regulations, 2015:

*The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.*

6.35 In pursuance to aforesaid submissions, CSPDCL humbly submits Hon'ble Commission to approve the sharing of efficiency loss of Rs. 33.74 Cr of CSPDCL for FY 2021-22.

### Contribution to Pension and Gratuity

6.36 CSPDCL submits that Hon'ble Commission in its Tariff Order dated 2<sup>nd</sup> August, 2021 allowed contribution to Pension and Gratuity fund as Rs. 449.48 crore. CSPDCL would like to submit that it has contributed the same amount towards pension and gratuity in the FY 2021-22 as shown in table below:

Table 14 Contribution to Pension and Gratuity for FY 2021-22 (Rs. Cr.)

S No.	Particulars	Tariff Order Dated 02.08.2021	Final True Up	Difference
1.	Pension and Gratuity	449.48	449.48	0.00

6.37 CSPDCL thus Humbly pleads Hon'ble Commission to approve the contribution to Pension and Gratuity for FY 2021-22 as Rs. 449.48 Cr.





## Capital Structure for the FY 2021-22

6.38 The capital structure for the FY 2021-22 has been determined based on following

- The actual loan addition for FY 2021-22 has been considered as 194.84 Cr. based on the final accounts.
- Addition in consumer contribution/grants has been considered Rs. 679.46 crore as per the final accounts for FY 2021-22.
- Normative equity addition has been considered based on capital restructuring methodology as approved by the Hon'ble Commission in tariff order dated 12th July 2013.
- GFA addition of Rs. 1,802.31 crore has been considered as per the final accounts for FY 2021-22.
- The Capital Structure arrived through above methodology is tabulated below:

**Table 15 Capital Structure for FY 2021-22 (Rs. Cr.)**

S No.	Particulars (2021-22)	Legend	Final True Up
1	Gross Fixed Assets (GFA)		
2	Opening GFA	A	9,769.35
3	Opening CWIP	B	3,284.50
4	Opening CAPEX	C=A+B	13,053.85
5	Capitalization during the year	D	1,802.31
6	Closing GFA	E=D+A	11,571.66
7	Closing CWIP	F	2,275.83
8	Closing CAPEX	G=F+E	13,847.49
9	Grants and Consumer Contribution		0
10	Opening Grant and Contribution	H	5,489.73
11	Consumer contribution/grants during the Year	I	679.45
12	Closing Consumer Contribution	J=H+I	6,169.19
13	Consumer Contribution in Opening GFA	K=H*A/C	4,108.45
14	Consumer Contribution in Closing GFA	L=J*E/G	5,155.28
15	Loan Borrowed		
16	Opening Borrowed Loan	M	3,126.02
17	Loan Borrowed during the year	N	194.84
18	Closing Borrowed Loan	O=M+N	3320.86
19	Borrowed Loan in Opening GFA	P=M*A/C	2,339.48
20	Borrowed Loan in Closing GFA	Q=max(O*E/G,P)	2,775.08
21	Equity		
22	Opening Gross Equity	R=C-H-M	4,438.10
23	Equity Addition During the Year	T=S-R	(80.65)
24	Closing Gross Equity	S=G-J-O	4,357.45
25	Gross Equity in Opening GFA	U=A-K-P	3,321.42
26	Gross Equity in Closing GFA	V=C-L-Q	3,641.30

S No.	Particulars (2021-22)	Legend	Final True Up
27	Average Gross Equity During the year	W=Avg (U,V)	3,481.36

\* Note: The opening figures of GFA, Equity, Grants and loan has been considered as closing figures for FY 2020-21 as approved by Hon'ble Commission in tariff order dated 02.08.2021

6.39 The Accordingly, the grant, loan and equity addition due to capitalization during the year (in line with the provisions of approved capital structure) is shown in the Table below:

**Table 16 Funding Structure of Capitalised Assets in FY 2021-22**

S. No.	Particulars	Final True Up
1	Opening GFA	9,769.35
2	Capitalization during the year	1,802.31
3	Closing GFA	11,571.66
<b>Funding of Capitalized Assets</b>		
4	Grant	1,046.83
5	Equity	226.64
6	Debt	528.84
7	Total Capitalization	1,802.31

6.40 Hon'ble Commission is requested to approve the Capital Structure and funding pattern of capitalized assets for the year FY 2021-22 as per the table above. The detailed breakup of GFA is provided in the technical formats F-2 and F-6 respectively.

### Depreciation

6.41 CSPDCL submits that it has calculated depreciations in line with the provisions of Regulations 24 CSERC MYT Regulations, 2015.

**Table 17 Depreciation for FY 2021-22 (Rs. Cr)**

S No.	Particular	MYT Order Dated 02.08.2021	Final True Up	Difference
1	Opening GFA	9,218.39	9,769.35	550.96
2	Additional Capitalisation during the Year	300.00	1,802.31	1,502.31
3	Closing GFA	9,518.39	11,571.66	2,053.27
4	Average GFA for the year	9,368.39	10,670.51	1,302.12
5	Depreciation Rates (%)	5.56%	5.50%	-0.06%
6	Gross Depreciation	521.28	586.66	65.38
7	Less: Depreciation on consumer contribution on live assets	226.50	176.62	(49.88)
8	Less: Depreciation on Fully Depreciated Assets	16.51	18.61	2.10
9	Less: Depreciation on assets converted from loan to grant under UDAY	46.20	46.20	-



S No.	Particular	MYT Order Dated 02.08.2021	Final True Up	Difference
10	Net Depreciation	232.08	344.93	112.85

6.42 CSPDCL thus humbly pleads Hon'ble Commission to approve the Depreciation expenses of Rs. 344.93 Cr for the FY 2021-22. The detailed breakup of depreciation is provided in Technical Formats F-7 and F-8 respectively.

### Interest and Finance Charge

6.43 CSPDCL submits that it has computed Interest and Finance Charges as per Section 23 of the CSERC (MYT) Regulations, 2015. The actual loan details as per the available annual accounts are as follows. The Loan details are provided in Technical Format F-10.

Table 18 Loan Portfolio for FY 2021-22 (Rs. Cr.)

S No.	Lender Name	Opening Balance	Addition	Repayment	Closing
1	PFC (Term Loan)	651.13	14.42	25.03	507.48
2	REC (Term Loan)	1,335.74	180.42	131.62	1,384.53
3	State Government Loan	21.17	0.0	0.0	21.17
	<b>Total</b>	<b>2,008.04</b>	<b>194.84</b>	<b>156.65</b>	<b>1,913.18</b>

6.44 In line with the regulations the allowable depreciation for the FY 2021-22 has been considered as normative repayment during the year.

6.45 CSPDCL would like to further submit that closing normative loan as on 31.03.2020 as determined by Hon'ble Commission in Order dated 02.08.2021 has been considered as opening normative loan as on 01.04.2021.

6.46 The weighted average rate of interest on actual loan has been taken for the purpose calculation of interest on loan which comes out to be 8.87%.

6.47 The computation of interest on loan considering the above factors is tabulated below:

Table 19 Interest on Loan for FY 2021-22 (Rs. Cr.)

S No.	Particular	MYT Order Dated 02.08.2021	Final True Up	Difference
1	Opening Net Normative Loan	1,654.72	1,928.10	273.38
2	Repayment during the year	232.08	344.93	112.85
3	Additional Capitalization of Borrowed Loan during the year		435.60	435.60
4	Addition/(Reduction) in Normative loan during the year	178.64	93.24	-85.40
5	Closing Net Normative Loan	1,601.28	2,112.00	510.72

S No.	Particular	MYT Order Dated 02.08.2021	Final True Up	Difference
6	Average Normative loan during the year	1,628.00	2,020.05	392.05
7	Weighted Average Rate of Interest	10.28%	8.87%	-1.41%
8	Interest Expense	167.36	179.12	11.76
9	Add: Other Finance Charges	-	4.74	4.74
10	<b>Total Interest on Loan</b>	<b>167.36</b>	<b>183.86</b>	<b>16.50</b>

6.48 CSPDCL thus humbly pleads the Hon'ble Commission to approve the interest and financing charges for FY 2021-22 as Rs. 183.86 Cr. The detailed break up of Interest on Loan is provided in Technical Format F-9, F-10, F-13 and R-7 respectively.

### Interest on Security Deposit

6.49 As per the provisions of clause 6.13 of the Chhattisgarh Supply Code 2011 CSPDCL has to provide interest on security deposits made by consumers. As per the said clause:

*"The licensee shall pay interest as per directive / guidelines of Reserve Bank of India (RBI) on the security deposits. It shall be the responsibility of the licensee to ascertain the such rate from RBI and to inform the consumers through the billing mechanism."*

6.50 Accordingly, CSPDCL has been paying interest to the consumers on the security deposits made by them. However, since this is not based on any regulatory principle the actual interest paid as per the audited accounts has been considered. The same is tabulated below:

**Table 20 Interest on Security Deposit for FY 2021-22 (Rs. Cr.)**

S No.	Particular	MYT Order Dated 02.08.2021	Final True Up	Difference
1	Opening CSD	2,524.22	2,374.04	(150.18)
2	Addition	226.62	210.44	(16.18)
3	Closing CSD	2,750.84	2,584.48	(166.36)
4	Rate	5.32%	3.92%	(1.40)
5	<b>Interest on CSD</b>	<b>140.30</b>	<b>97.12</b>	<b>(43.18)</b>

6.51 CSPDCL Humbly requests Hon'ble Commission to approve the actual expenses on Interest on Security Deposit of Rs. 97.12 Cr for FY 2021-22.

### Interest on Working Capital

6.52 As per the CSERC MYT Regulations 2015 clause 25(1) (e) the working capital for retail supply business shall comprise of following





- a. O&M Expenses for one month
- b. Maintenance Spares@ 40% of R&M Expenses.
- c. Receivables equivalent to one month of revenue from sale of electricity.
- d. Less Consumer security deposit

6.53 Further the regulation states that the allowable interest rate for working capital shall be equal to the SBI base rate as on 30<sup>th</sup> September plus 350 basis point of the financial year for at the time of filing the Petition for tariff determination and SBI base rate as on 01<sup>st</sup> April plus 350 basis points in case of true up.

6.54 Accordingly, CSPDCL has considered the SBI base rate as on 01<sup>st</sup> April 2021 plus 350 basis points for computation of interest on working capital for FY 2021-22. The rate thus arrived is 10.90%.

6.55 Computation of Working Capital is tabulated below:

**Table 21 Interest on Working Capital for FY 2021-22 (Rs. Cr.)**

S No.	Particular	Tariff Order Dated 02.08.2021	Final True Up	Difference
1	Operation and Maintenance Expenses for one month	102.31	97.13	(5.18)
2	Maintenance spares @ 40% of Repair and Maintenance expenses	54.00	61.02	7.01
3	Receivable equal to 1 month of expected revenue from sale of power	1,346.86	1,216.43	(130.43)
4	Total Working Capital	1,503.17	1,374.57	(128.60)
5	Less: Security Deposit	2,750.84	2,479.26	(271.58)
6	Net Working Capital Requirement	(-1,247.67)	(1,104.69)	142.98
7	Rate of Interest (%)	10.90%	10.90%	0.00
8	Interest on Working Capital requirement	(-136.00)	(120.41)	15.58

6.56 CSPDCL humbly requests the Hon'ble Commission to approve the interest on working capital as Rs. 120.41 (negative) for FY 2021-22. The detailed breakup of Interest on Working Capital is Provided in Technical Format F-12 and F-13 respectively.

### Return on Equity

6.57 CSPDCL would like to submit that it has computed permissible equity as per approved methodology of the capital structuring and clause 17.1 of the MYT Regulations, 2015 as shown in table below:



Table 22 Return on Equity for FY 2021-22 (Rs. Cr.)

S No.	Particular	MYT Order Dated 02.08.2021	Final True Up	Difference
1	Permissible Equity in Opening GFA	1,598.00	2,147.31	549.31
2	Permissible Equity in Closing GFA	1,701.22	2,373.95	672.73
3	Average Gross Permissible Equity during the year	1,649.61	2,260.63	611.02
4	Rate of Return (%)	16.00%	16.00%	-
5	Return on Equity	263.94	361.70	97.76

6.58 CSPDCL further submits that it has not considered consumer contribution and grant received in the assets capitalised during the FY 2021-22 for calculation of equity base.

6.59 CSPDCL would like to further submit that closing equity as on 31.03.2020 as determined by Hon'ble Commission in Order dated 02.08.2021 has been considered as opening equity as on 01.04.2020.

6.60 CSPDCL also submits that there has been variation in the capitalization projected at the time of MYT Order and as per the final audited accounts which is reflected in the return on equity in final true up Petition.

6.61 Accordingly, the return on equity for FY 2021-22 is arrived at Rs. 361.70 Cr CSPDCL humbly pleads the Hon'ble Commission to approve the ROE as Rs. 361.70 Cr for FY 2021-22. Detailed breakup of Return on Equity is provided in F-18.

### Non-Tariff Income

6.62 CSPDCL submits that the non-tariff income has been taken at actuals as per the final accounts of FY 2021-22 and is tabulated below:

Table 23 Non-Tariff Income (Rs. Cr.)

S No.	Particulars	MYT Order dated 02.08.2021	Final True Up	Difference
1	Non-Tariff Income	241.16	69.74	(171.42)
2	Wheeling Charges, Open access and Cross Subsidy Surcharge, POC	76.87	73.35	(3.52)
3	POC		101.65	101.65
4	Meter Rent		40.26	40.26
	<b>Total</b>	<b>318.03</b>	<b>284.99</b>	<b>(33.04)</b>

6.63 CSPDCL submits that in the audited accounts Note No.-22 (Other Income) Rs. 249.98 Cr has been taken under the head Other Income. CSPDCL submits that this amount pertains to the



amortization of Capital grants received and hence is not of the nature of income. It would be expeditiously submitted that aforesaid entry in the audited accounts is to meet the requirement of Ind AS.

6.64 CSPDCL humbly requests Hon'ble Commission to approve the Non-Tariff Income of Rs. 284.99 Cr for FY 2021-22. The detailed breakup of Non-Tariff Income has been provided in Technical Formats R8 and R9 respectively.

### Aggregate Revenue Requirement

6.65 CSPDCL submits that based on the individual components calculated above the Aggregate revenue requirement for FY 2021-22 is tabulated below:

Table 24 ARR Summary for FY 2021-22 (Rs. Cr.)

S No.	Particulars	Tariff Order Dated 02.08.2021	Final True Up	Difference
A	Gross Power Purchase Expenses	14,446.33	16,112.50	1,666.17
B	Operation & Maintenance Expenses	1,677.26	1,845.79	168.53
1	Net Employee Expenses	947.51	848.85	(93.66)
2	Net Administrative and General Expenses	145.26	157.41	12.15
3	Net Repair and Maintenance charges	135.00	390.04	255.04
4	Pension & Gratuity	449.48	449.48	-
5	Interim Wage Relief	-	-	-
C	Interest & Finance Expenses	171.66	160.57	(11.09)
1	Interest on Loan	167.36	183.86	15.50
2	Interest on Security Deposit	140.30	97.12	(43.18)
3	Interest on Working Capital Requirement	(136.00)	(120.41)	15.59
D	Other Expenses	558.99	706.63	147.64
1	Depreciation	232.08	344.93	112.85
2	Return on Equity	326.91	361.70	34.79
E	Gain/(Loss) on Efficiency		33.74	33.74
1	Gain/(Loss) on Sharing O&M Efficiency		33.74	33.74
F	Less: Non-Tariff Income	318.03	284.99	(33.04)
1	Non-Tariff Income	241.16	211.65	(29.51)
2	Wheeling Charges, Open access and Cross Subsidy Surcharge, POC	76.87	73.35	(3.52)
G	Aggregate Revenue Requirement	16,536.21	18,506.75	1,970.55

6.66 CSPDCL humbly requests Hon'ble Commission to approve the ARR of Rs. 18,506.76 Cr. against Rs. 13,416.13 Cr. in Tariff Order dated 02.08.2021 as per the details shown in the table above.



## Revenue from Sale of Power

6.67 CSPDCL Submits that the actual revenue for FY 2021-22 as per the audit accounts is tabulated below:

**Table 25 Revenue from Sale of Power for FY 2021-22 (Rs. Cr.)**

S No.	Particular	Tariff Order Dated 02.08.2021	Final True Up
1	Revenue from Retail Sale of Electricity	15,220.40	14,597.15
2	Add: Subsidy from State Government	-	-
3	Revenue from Sales of Surplus Power	-	1854.14
4	<b>Total Revenue from Sale</b>	<b>15,220.40</b>	<b>16,451.29</b>

6.68 Petitioner would like to submit that revenue from retail sale of electricity in the aforesaid table is inclusive of revenue subsidy received from State Government towards supply of electricity to HV-4 steel industries. The Petitioner would like to submit that the revenue subsidy received from state government on account of UDAY scheme has been considered as revenue.

6.69 CSPDCL would request Hon'ble Commission to approve Rs. 16,451.29 Cr. as revenue from sale of Power as per final accounts of FY 2021-22, which the summation of Rs.14,597.15 Cr towards revenue from retail sale of electricity and revenue from sale of surplus power which includes Telangana sales and other revenue receipt of Rs. 1854.14 Crore.

## Revenue Gap/ (Surplus)

6.70 The standalone revenue gap/ (surplus) for the FY 2021-22 and cumulative revenue gap (surplus) has been tabulated below:

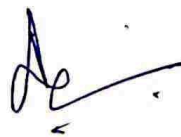
**Table 26 Revenue Gap / Surplus for FY 2021-22**

S No.	Particulars	2021-22 Tariff Order Dated 02.08.2021	Final True Up
1	Net ARR	13,416.13	13,506.76
2	Revenue from Sale of Power	15220.40	15,451.29
3	<b>Standalone Revenue Gap/(Surplus)</b>	<b>(1,804.27)</b>	<b>2,055.47</b>
4	Add: Standalone Revenue Gap/(surplus)	-	2,055.47
5	Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSPGCL	329.75	329.75
6	Gap/ (Surplus) after true-up of CSPGCL RE Station (Order in Petition No. 16/2021)	(5.72)	(5.72)
7	Additional NTI to CSPGCL from sale of scrap of KTPS	(10.00)	(10.00)
	Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSPDCL	(46.06)	(46.06)



S No.	Particulars	2021-22 Tariff Order Dated 02.08.2021	Final True Up
	Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSLDC	(3.63)	3.63
	Total Gap/(Surplus) carried forward from final true-up of FY 2019-20 for CSPGCL, CSPTCL and CSLDC	264.34	264.34
8	Gap/(Surplus) carried forward from final true-up of FY 2018-19 and true-up for FY 2019-20 for CSPDCL	2,235.39	2 235.39
9	Regulatory asset for CSPDCL	246.44	246.44
10	Add; Revenue Gap for Review Petition after Final True Up for FY 2020-21	0.00	518.03
11	<b>Closing Revenue Gap/(Surplus)</b>	941.90	5,319.67
12	Gap Adjusted In FY 2021-22		
13	<b>Net Closing Gap</b>		5,319.67
14	Rate of Interest (%)		10.90%
15	Carrying /(Holding) cost	0.00	439.01
16	<b>Total Closing Revenue Gap/(surplus) at end of the year</b>	<b>941.90</b>	<b>5,758.68</b>

- 6.71 CSPDCL submits that all the adjustments have been considered while arriving at the gap of Rs. 5,758.68 Cr along with the carrying cost. CSPDCL would further like to request Hon'ble Commission to approve the aforesaid standalone revenue gap and consider the same as opening gap for ensuing year along with carrying cost.
- 6.72 CSPDCL would like to further submit that the closing gap of Rs. 5,758.68 Cr of FY 2021-22 has been carried forward as opening gap for FY 2023-24 along with the carrying cost for FY 2021-22.
- 6.73 The aforesaid gap of Rs. 5,758.68 Crore translates to Rs. 2376.44 Crore in Table No. 56 after applying the carrying cost for the relevant period.



## 7. CAPITAL EXPENDITURE AND CAPITALISATION FOR THE CONTROL PERIOD

### Capital Investment

- 7.1 In exercise of its powers conferred under section 61 of the Electricity Act, 2003, the Hon'ble Commission has issued the CSERC (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, 2021.
- 7.2 Accordingly, under provision 7 of MYT Regulation, 2021, CSPDCL has submitted Petition for the Capital Investment Plan prepared for the MYT Control Period separately.
- 7.3 In the Capital Investment Plan prepared for the MYT Control Period, CSPDCL has chalked out a detailed investment schedule. Different schemes have been identified to carry out the overall investment in the distribution segment of the power sector during the control period. Most of these schemes are long term in nature and would be funded by the government, financial institutions and also by CSPDCL's own equity. However, based on actual capitalization in the previous year and revised capitalization schedule for RDSS Scheme, CSPDCL has revised the Capitalization details and the summary for the same is shown as under:

**Table 27: Capital Investment Details for the Period for FY 2023-24 (Rs. Crore)**

Sr. No	Name of the Scheme	FY 24
<b>A</b>	<b>Government Funded Schemes</b>	<b>2,013.56</b>
1	Agriculture pumps Energization and RE works other than RGGVY	200.00
2	Mukhya Mantri Shahri Vidyuti karan Yojana	50.00
3	Mukhya Mantri Majra Tola Vidyutikaran	50.00
4	Revamped Scheme	1,713.56
<b>B</b>	<b>Partly or Fully CSPDCL Funded Schemes</b>	<b>350.23</b>
1	ND Scheme (Obligatory)	120.00
2	Sub Transmission (Normal) STN	230.23
<b>C</b>	<b>Fully Funded by Consumer Contribution</b>	<b>150.00</b>
1	ND Scheme (Contributory)	150.00
<b>D</b>	<b>TOTAL</b>	<b>2,513.79</b>

- 7.4 It is evident from the table above that the emphasis for forthcoming capital investment plan is on improving and strengthening the existing distribution network as well as on increasing electrification primarily in the rural areas. Also, it can be observed that significant outlay is planned towards a strong and upgraded IT system. This is aimed towards improving the data collection mechanism and also improving the online operational management.



7.5 CSPDCL submits that the Action Plan and DPR for the revamped scheme has been approved and therefore CSPDCL has considered the capitalization of RDSS Scheme for projecting the capitalisation for FY 2023-24.

7.6 CSPDCL is working towards organization level integration of internal and external information systems cutting across various divisions. Further funds have been allocated to spruce up the consumer complaint redressal system. Financing mix for the planned capital expenditure for partly or fully CSPDCL funded schemes during the control period is provided below:

**Table 28: Proposed Capital Structure for FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	FY 2023-24
	<b>Gross Fixed Assets (GFA)</b>	
1	Opening GFA	13,043.98
2	Capitalization during the year	2,353.75
3	Closing GFA	15,397.73
	<b>Funding of Capitalized Assets</b>	
4	Grant	674.39
5	Equity	503.81
6	Debt	1,175.55
7	<b>Total Capitalization</b>	<b>2,353.75</b>



## 8. AGGREGATE REVENUE REQUIREMENT for FY 2023-24

- 8.1 The Hon'ble Commission finalised the CSERC (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, 2021 (hereinafter referred to as "CSERC MYT Regulations 2021") applicable for FY 2022-23 to FY 2024-25 under Section 62 of the Electricity Act, 2003.
- 8.2 As per Regulation 5.7 (b) (ii) of the CSERC MYT Regulations, 2021, CSPDCL is required to submit the following for the Control Period (FY 2022-23 to FY 2024-25):
- *"The trueing up petition for preceding year(s);*
  - *Revised power purchase quantum / cost (if any), with details thereof for the ensuing years.*
  - *Revenue from existing tariffs & charges and projected revenue for the ensuing year.*
  - *Application for redetermination of ARR for the ensuing year along with retail tariff proposal."*
- 8.3 Accordingly, CSPDCL is submitting the Petition for Re-determination of ARR for the ensuing year (FY 2023-24) with projection of sales, power purchase and all other components of ARR as detailed in the subsequent paragraphs.

### Energy Sales within the State

- 8.4 CSPDCL submits that there are various factors which can have an impact on the actual consumption of electricity and are often beyond the control of the licensee, such as Government Policy, economic climate, weather conditions, force-majeure events like natural disasters, change in consumption mix, etc. Hence, various factors affecting electricity consumption considered and interrelationships have been estimated among them to arrive at a forecast of energy sales within a range for the purpose of estimating future costs/revenues. CSPDCL submits that the Commission in its CSERC (MYT) Regulations, 2021 has specified sales mix and quantum of sales as uncontrollable which are beyond the control of the licensee and could not be mitigated by the licensee.
- 8.5 CSPDCL has considered the past growth trends in each consumer category for the projections of the Control period as per the categorization made by Hon'ble Commission in latest Tariff Order.
- 8.6 Compounded Annual Growth Rates (CAGRs) were computed from the past figures for each category, corresponding to different lengths of time in the past three years for LV i.e. FY 2019-20, FY 2020-21 and FY 2021-22 and for HV FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22 respectively. The consideration of separate duration of years period for HT and LT is to avoid the





effect of COVID-19 period in future projections. It is pertinent that industrial consumption is affected adversely during COVID-19 period.

- 8.7 Subject to the specific characteristics of each consumer category, three years CAGR is chosen as the basis of sales projection for that category. For example, if an abnormal growth rate (high or low), relative to the current trend, is observed at the beginning of the three-year period considered, then a shorter period is considered for the trend analysis and projections, i.e., appropriately a 3-year CAGR has been considered. In case where the past data does show a declining trend, a nil growth has been considered or a trend which is not consistent is substituted with assumptions of growth;
- 8.8 Further, for projection of number of consumers, sale and connected load of subcategories/slabs of any consumer category, CSPDCL has used the ratio of provisional sales in the subcategory to total sales of the category observed in FY 22. Further, the actual sales, connected load and number of consumers has been shown as old categories/ subcategories as approved in MYT Tariff Order dated 13.04.2022.

### Category-wise Forecast - Sales

- 8.9 Based on the methodology detailed above, the category wise average YoY growth considered and projections for sales for the FY 2023-24 is summarized in the table below:

**Table 29: Consumer Category Wise Projection of Sales (MU) for the FY 2023-24**

Sr. No	Consumer Category	Class	Growth Rate Considered	Sales	
				Remarks	Revised Estimates
A	LV				
1	Domestic Including BPL Consumers	LV 1	7.78%	Average Y-O-Y growth from FY 2019-20 to FY 2021-22.	7,230.30
2	Non-Domestic Normal	LV 2.1	0.00%	0.00% growth considered	266.20
3	Non-Domestic Demand Based	LV 2.2	10%	10.00% Growth rate considered	897.22
4	Agriculture (Metered)	LV 3	6.61%	CAGR of 3 years considering 2019-20 to FY 2021-22.	5,478.22
5	Agriculture Allied Activities	LV 4	16.58%	CAGR of 3 years considering 2019-20 to FY 2021-22.	42.17
6	Industry	LV 5	9.92%	CAGR of 3 years considering 2019-20 to FY 2021-22.	805.56
7	Public Utilities	LV 6	10.00%	10.00% Growth rate considered	563.93

Sr. No	Consumer Category	Class	Growth Rate Considered	Sales		Revised Estimates
				Remarks		
8	IT Industries	LV 7	10.00%	10.00% Growth rate considered		1.45
9	Temporary	LV 8	10.00%	10.00% Growth rate considered		1,366.11
B	HV					
10	Railway Traction (132/220 kV)	HV 1	6.69%	Average of 3 years Y-O-Y considering 2019-20 to FY 2021-22		1,319.89
11	Mines	HV 2	4.18%	CAGR of 3 years considering 2018-19 to FY 2021-22		741.34
12	Other Industrial & General Purpose Non-Industrial	HV 3	1.95%	YoY Growth for FY 2021-22 has been considered		1,953.12
13	Steel Industries	HV 4	7.50%	7.50% Growth rate considered		7,733.01
14	Irrigation & Agriculture Allied Activities, Public Water Works	HV 5	18.76%	CAGR of 3 years considering 2018-19 to FY 2021-22		269.79
15	Residential	HV 6	1.23%	YoY Growth for FY 2020-21 has been considered		182.30
16	Start Up Power (400/220/123/33/11 kV)	HV 7	10.00%	10.00% Growth rate considered		22.55
17	Industries related to manufacturing of equipment for power generation from renewable energy sources	HV 8	10.00%	10.00% Growth rate considered		3.53
18	IT Industry and Export oriented textile industry	HV 9	10.00%	10.00% Growth rate considered		8.76
19	Temporary	HV 10				
C	Total (A+B)					28,885.46

### Category-wise Forecast - Number of Consumers

8.10 Based on the methodology detailed above, the category wise average YoY growth considered and projections for number of consumers for the FY 2023-24 is summarized in the table below:





Table 30: Consumer Category Wise Projection of Number of Consumers for the FY 2023-24

Sr. No	Consumer Category	Class	Growth Rate Considered	No. of Consumers	
				Remarks	Revised Estimates
A	LV				
1	Domestic Including BPL Consumers	LV 1	1.42%	CAGR of 3 years considering 2019-20 to FY 2021-22.	50,38,845
2	Non-Domestic Normal	LV 2.1	0.00%	0.00% growth considered	3,01,381
3	Non-Domestic Demand Based	LV 2.2	10.00%	10.00% Growth rate considered	98,789
4	Agriculture (Metered)	LV 3	5.36%	CAGR of 3 years considering 2019-20 to FY 2021-22.	5,43,598
5	Agriculture Allied Activities	LV 4	14.52%	YOY growth for FY 22 considered.	4,822
6	Industry	LV 5	3.26%	CAGR of 3 years considering 2019-20 to FY 2021-22.	39,046
7	Public Utilities	LV 6	10.00%	10.00% Growth rate considered	50,618
8	IT Industries	LV 7	10.00%	10.00% Growth rate considered	10
9	Temporary	LV 8	10.00%	10.00% Growth rate considered.	2,12,540
B	HV				
10	Railway Traction (132/220 kV)	HV 1	4.26%	CAGR of 3 years considering 2018-19 to FY 2021-22	27
11	Mines	HV 2	2.00%	2.00% Growth rate considered	121
12	Other Industrial & General Purpose Non-Industrial	HV 3	6.02%	CAGR of 3 years considering 2018-19 to FY 2021-22	2,681
13	Steel Industries	HV 4	6.13%	Y-O-Y Growth for FY 2021-22 has been considered	583
14	Irrigation & Agriculture Allied Activities, Public Water Works	HV 5	19.82%	CAGR of 3 years considering 2018-19 to FY 2021-22	289



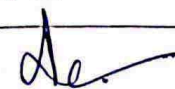
Sr. No	Consumer Category	Class	Growth Rate Considered	No. of Consumers	
				Remarks	Revised Estimates
15	Residential	HV 6	8.56%	CAGR of 3 years considering 2013-19 to FY 2021-22	78
16	Start Up Power (400/220/123/33/11 kV)	HV 7	2.00%	2.00% Growth rate considered	35
17	Industries related to manufacturing of equipment for power generation from renewable energy sources	HV 8	10.00%	10.00% Growth rate considered	7
18	IT Industry and Export oriented textile industry	HV 9	10.00%	10.00% Growth rate considered	7
19	Temporary	HV 10	-	CAGR of 3 years considering 2019-20 to FY 2021-22.	
C	Total (A+B)				62,93,477

### Category-wise Forecast - Connected Load

8.11 Based on the methodology detailed above, the category wise average YoY growth considered and projections for connected load for the FY 2023-24 is summarized in the table below:

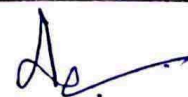
**Table 31: Consumer Category Wise Projection of Connected Load (MW) for the FY 2023-24**

Sr. No	Consumer Category	Class	Growth Rate Considered	Connected Load (MW)	
				Remarks	Revised Estimates
A	LV				
1	Domestic Including BPL Consumers	LV 1	4.28%	Y-O-Y growth from FY 2020-21 to FY 2021-22 has been considered.	3,563.25
2	Non-Domestic Normal	LV 2.1	0.00%	0.00% Growth rate considered	310.83
3	Non-Domestic Demand Based	LV 2.2	11.18%	YoY growth for FY 2021-22 considered	912.18
4	Agriculture (Metered)	LV 3	5.03%	CAGR of 3 years considering 2019-20 to FY 2021-22.	1,387.97





Sr. No	Consumer Category	Class	Growth Rate Considered	Connected Load (MW)	
				Remarks	Revised Estimates
5	Agriculture Allied Activities	LV 4	10.00%	10.00% Growth rate considered	32.62
6	Industry	LV 5	7.14%	CAGR of 3 years considering 2019-20 to FY 2021-22.	867.09
7	Public Utilities	LV 6	10.00%	10.00% Growth rate considered	185.26
8	IT Industries	LV 7	10.00%	10.00% Growth rate considered	0.73
9	Temporary	LV 8	9.08%	CAGR of 3 years considering 2019-20 to FY 2021-22.	459.53
B	HV				
10	Railway Traction (132/220 kV)	HV 1	2.45%	Y-O-Y Growth for the period FY 2019-20 has been considered	421.08
11	Mines	HV 2	3.76%	CAGR of 3 years considering 2018-19 to FY 2021-22	231.76
12	Other Industrial & General Purpose Non-Industrial	HV 3	5.26%	CAGR of 3 years considering 2018-19 to FY 2021-22	1,060.18
13	Steel Industries	HV 4	8.00%	5.00% Growth rate considered	1,882.67
14	Irrigation & Agriculture Allied Activities, Public Water Works	HV 5	10.00%	10.00% Growth rate considered	91.07
15	Residential	HV 6	7.00%	CAGR of 3 years considering 2018-19 to FY 2021-22	64.97
16	Start Up Power (400/220/123/33/11 kV)	HV 7	10.00%	10.00% Growth rate considered	86.10
17	Industries related to manufacturing of equipment for power generation from renewable energy sources	HV 8	6.67%	Y-O-Y Growth for the period FY 2021-22 has been considered	1.41
18	IT Industry and Export oriented textile industry	HV 9	10.00%	10.00% Growth rate considered	1.98



Sr. No	Consumer Category	Class	Growth Rate Considered	Connected Load (MW) Remarks	Revised Estimates
19	Temporary	HV 10		CAGR of 3 years considering 2019-20 to FY 2021-22.	
C	Total (A+B)				11,560.68

8.12 CSPDCL requests the Hon'ble Commission to approve the Number of Consumers, Connected Load and Sales as shown above. The detail breakup of Number of Consumers, Connected Load and Sales is provided in the Technical Formats Sheet no R12\_R13 respectively

**Transmission Loss**

**Inter State Transmission Loss**

8.13 It is submitted that for Inter State Transmission Losses, CSPDCL has considered weighted average transmission loss of actual 12 months (April 2021 till March 2022) of Western Region. The same practice is very much adopted by all State Commissions and is more practical as it captures varying loss. The transmission Losses are tabulated as under:

**Table 32: Inter-State Transmission Loss (%)**

Sr. No	Particulars	FY 2023-24
1.	Inter-Transmission Losses (%)	3.42%

8.14 CSPDCL further submits that intra state transmission losses of 3% as determined by Hon'ble Commission in its latest tariff order (Order dated 13.04.2022) is considered to project availability for the year FY 2023-24.

**Energy Requirement and Distribution Loss**

8.15 In accordance with CSERC Tariff Regulation 2021, Clause 98 the distribution losses shall be calculated as follows:

**98 ENERGY LOSSES FOR DISTRIBUTION SYSTEM**

98.1. The energy loss for 33 KV and below voltage level, shall be computed as per relevant provision(s) of the State Grid Code 2011 as amended from time to time. The difference between the energy injected at 33 KV voltage level and the sum of energy sold to all its consumers (retail and open access), at voltage level 33 KV and below shall be the energy





loss for the 33KV and below system. The same shall be considered for the gain/ loss at the time of true up.

98.2. Energy sold shall be the sum of metered sales and assessed unmetered sales, if any, based on prudence check by the Commission.

98.3. Energy Loss trajectory for distribution licensee shall be as specified by the Commission in the tariff order.

8.16 The Regulation provides that the Distribution Losses shall be specified by the Hon'ble Commission in the MYT Tariff Order. The Commission vide its MYT Order dated 13.4.2022 has specified the Distribution loss for FY 2023-24 as 15.33% and the same has been considered for projecting the Distribution loss. However, the Petitioner would most humbly like to submit that aforesaid loss trajectory projections would change after "Revamped Distribution Sector Scheme" is implemented in the State.

8.17 Accordingly, CSPDCL has projected the Distribution Losses. The detail calculation of Energy Balance and Distribution Loss Computation is provided in the Technical Format Sheet No R3. The table below summarizes the computation of energy balance for CSPDCL during FY 2023-24:

**Table 33: Energy Balance for FY 2023-24**

Sr. No.	Energy Requirement	Legend	Projections FY 2023-24
1	LV Sales	A	16,651.16
2	HV Sales	B	7,926.57
3	Total Below EHV Level	C=A+B	24,577.73
4	Energy Loss below 33 kV (in %)	D	15.33%
5	Energy Loss below 33 kV (in MU)	E	3,767.77
6	Gross Energy requirement at 33 kV Level	F=C+E	28,345.49
7	Less: Direct Input to distribution at 33 kV Level	G	351.77
8	Net Energy Input required at Distribution Periphery at 33 kV Level	H=F-G	27,993.72
9	Sales to EHV consumers	I	4,307.73
10	Net energy requirement at Distribution periphery	J=H+I	32,301.45
11	Distribution loss including EHV Sales	K	11.54%

8.18 CSPDCL would like to submit in pursuance to Hon'ble Commission latest Order it has adopted 15.33% target for FY 2023-24.

#### Power Purchase Quantum & Cost

8.19 CSPDCL submit that it has broadly categorised the sources of energy into Allocation (firm and non-firm) from Central Generating Stations (CGS), State Owned Generation i.e., Generation from CSPGCL, Solar Power Plants, Independent Power Producers (IPPs), and Short-Term/Bilateral purchases, etc. CSPDCL further submits that the plants which are scheduled to commence generation during FY 2023-24 are renewable energy plants only and it has considered the availability from such new plants.

8.20 As regards the power purchase CSPDCL has relied upon Clause 92.4.1 of the MYT Regulations, 2021 reproduced as under:

*"92.4.1 - The distribution licensee shall be permitted to recover power purchase cost as approved by the Commission*

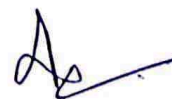
8.21 Accordingly, CSPDCL in subsequent paragraphs has analysed and projected the purchase of power from various sources.

#### Old Central Generating Stations

8.22 CSPDCL submit that it has firm allocation of power from Central Generating Stations like Korba Super Thermal Power Station (STPS), Vindhyachal Thermal Power Station, Sipat Super Thermal Power Station, Kahalgaon Super Thermal Power Station, Mauda Super Thermal Power Station, Solapur Super Thermal Power Station, Tarapur Atomic Power Stations and LARA Super Thermal Power Station (STPS) Unit I, etc. to meet its energy requirement.

8.23 The power purchase cost mainly comprises of fixed charges and energy charges for two-part tariff stations i.e. NTPC, NPCL & other in case of Petitioner. CERC has issued Tariff Order for AFC of central generating stations for the Control Period (FY 2019-20 to FY 2023-24). CSPDCL has considered the fixed charges for the generating stations whose Tariff Order are issued by CERC and for others generating stations as allowed by Hon'ble Commission in MYT Order dated 13.04.2022 for FY 2022-23 and FY 2023-24 for projecting power purchase expenses for the for FY 2023-24. The existing rates of energy charges of FY 2021-22 are considered. CSPDCL while estimating the costs, have considered only the fixed and energy charge and has estimated that any cost over & above would be passed through on actual basis.

8.24 Gross Energy Availability: CSPDCL estimated the gross energy availability from the existing stations based on the allocated capacity and the actual average Plant Load Factor (PLF) for the





past five years sourced from CEA and same has been considered for FY 2023-24 for calculating the gross energy availability for State.

8.25 The summary of the power purchase quantum and cost of Petitioner in respect of each year of Control Period is shown in the Table below:

**Table 34: Power Purchase from Central Generating Stations for the FY 2023-24**

Sr. No	Source	Units Purchased (MU)	Fixed Cost (Rs crore)	Variable Cost (Rs crore)	Total Cost (Rs crore)
A	KORBA STPS	1,526.09	107.89	209.70	317.59
B	KORBA STPS Unit VII	554.06	70.64	74.73	145.37
C	VINDHYACHAL	1,498.19	203.01	231.39	434.39
D	SIPAT STPS	3,459.63	388.41	513.38	901.79
E	MAUDA STPS	617.61	169.59	208.01	377.60
F	NTPC - SAIL (NSPCL)	279.94	52.71	80.78	133.49
G	LARA STPS	4,763.18	466.74	995.21	1,461.95
H	SOLAPUR STPS	352.77	235.78	124.30	359.81
I	GADERWARA STPS	596.46	220.68	183.69	404.37
J	KHARGAON STPS	308.45	16.80	89.80	105.60
K	KAHALGAON STPS	190.30	23.13	46.04	69.17
L	Tarapur (Unit 3 & 4 )	277.93	-	94.34	94.34
M	Hirakund (OHPCL)	7.85	-	1.43	1.43
N	Subhansiri	97.40	-	17.78	17.78
O	NTP New	543.04	280.45	108.61	398.06
<b>Total Central Generating Stations</b>		<b>15,072.89</b>	<b>2,235.83</b>	<b>2,978.91</b>	<b>5,214.74</b>

#### State Generating Stations

8.26 CSPDCL submit that it mainly relies on the power from State Generating Station. Currently, it is tied up with 2985 MW from the State generating company i.e., CSPGCL.

8.27 Availability of State Generating Stations other than Marwa is considered on actual basis. Further availability from Marwa is considered at 70% PLF based on conservative approach after Commissioning of Captive Coal mine.



8.28 CSPDCL while estimating the costs, have considered the fixed charges as approved by the Hon'ble Commission in its Tariff Order dated 13.04.2022. CSPDCL while projecting energy charges for FY 2023-24 has considered actual energy charges approved by the Commission vide Order dated 13.04.2022 for FY 2023-24 after reducing 10% of the Variable cost adjustment (VCA) estimated on the basis of actual variable cost adjustment made during FY 2021-22. For years FY 2023-24 it has considered no escalation for projection of energy charges and has estimated that any cost over & above would be passed though on actual basis.

8.29 CSPDCL has not considered any sale of the power of Marwa to Telangana at state periphery for FY 2023-24 as no power is supplied to Telangana state unless the state shall pay the long pending dues to CSPDCL.

8.30 The total power purchase cost and quantum from CSPGCL is shown in table below:

**Table 35: Power Purchase from State Generating Stations for the FY 2023-24**

Sr. No	Source	Units Purchased (MU)	Fixed Cost (Rs crore)	Variable Cost (Rs crore)	Total Cost (Rs crore)
A	DSPM	3,387.93	476.94	514.69	991.63
B	Hasdeo TPS	5,298.05	801.05	750.52	1,551.57
C	KTPS- West	3,527.54	627.28	425.10	1,052.38
D	Marwa	5,810.07	1,519.00	961.10	2,480.10
E	HPS Bango	572.38	30.13	-	30.13
F	HPS Korba Mini Hydro	4.38	-	1.17	1.17
G	HPS Gangrel	25.75	-	7.30	7.80
H	HPS Sikaser	24.04	-	8.54	8.64
I	Co-Gen Kawardha	47.70	-	23.89	23.89
<b>Total State Generating Stations</b>		<b>18,697.84</b>	<b>3,454.40</b>	<b>2,692.91</b>	<b>6,147.31</b>

**Power Purchase from Renewable Sources**

8.31 The Hon'ble Commission in its Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2021 notified dated 29.10.2021 giving effect from 01.04.2021 stipulates target trajectory for RPO compliance till FY 2023-24. Accordingly, CSPDCL has considered the RPO obligation for FY 2023-24 a.so.

**Table 36: Minimum quantum of electricity to be procured by Obligated Entity as percentage of total consumption**





Category	FY 2023-24
Solar	12.50%
Non-Solar (HPO)	0.66%
Non-Solar (Others)	10.50%

8.32 For the purpose of projections, CSPDCL has considered R.E. purchase from new renewable energy plants. CSPDCL further submits that it has envisaged that additional RE capacity of 2373 MW would be commissioned in the Control Period (FY 2022-23 to FY 2023-24). The details of RE capacity addition with expected commissioning date is given in the table below.

**Table 37 Renewable Energy Capacity Addition Envisaged for FY 2023-24**

S No.	Plant	Capacity (MW)	Expected Commissioning Date
1	SECI (Wind)	300	22-04-2022
2	SECI(Hybrid)	400	01-11-2021
3	SECI (Solar+BESS)	100	01-04-2023
4	NHPC (Solar)	400	01-04-2022
5	SECI (Hybrid)	400	01-01-2023
6	SECI (Blended wind)	170	01-06-2021
7	MBPCL	113	01-10-2023
8	SECI (Solar +Manufacturing)	300	01-10-2023
9	NTPC Solar	190	01-04-2022
10	<b>Total</b>	<b>2373</b>	

8.33 CSPDCL would like to submit that after availability of cheaper non solar renewable source in terms of capacity addition due to expected Commissioning of dedicated wind as well as blended wind source during next control period, it has not considered availability from bio mass generating stations for estimations of power purchase expenses. The aforesaid estimation is in pursuance to CSERC view over management of surplus sale of power and economic despatch principles in its Tariff Order dated 13.04.2022. In the same line Petitioner would like to submit that Hon'ble Commission may kindly consider bio mass generating stations under purview of Merit Order Despatch in the best interest of Power Purchase Cost as these stations contain two

part Tariff and are not intermittent in nature like Wind Generating Stations. CSPDCL understands that there shall be a liability related towards fixed cost arising out of non scheduling of electricity and in backdrop of this understandings Petitioner would like to submit that it may be allowed to claim actual expenditure towards payment of its fixed cost towards biomass generators at the time of True Ups.

8.34 Based on the above, the estimation of purchase from renewable energy sources for FY 2023-24 is shown in the Table below:

**Table 38: Purchase towards RPO in the FY 2023-24**

Sr. No	Source	Units Purchased (MU)	Fixed Cost (Rs crore)	Variable Cost (Rs crore)	Total Cost (Rs crore)
A	Biomass	-	-	-	-
B	Solar	2256.81	-	864.48	864.48
C	Hydel/Other RE	563.71	-	183.39	183.39
d	Other RE	1875.12	-	424.86	424.86
<b>Total Renewables</b>		<b>4695.64</b>	<b>-</b>	<b>1472.73</b>	<b>1472.73</b>

#### Concessional Power Purchase

8.35 For the purpose of projections for the FY 2023-24, CSPDCL has considered the quantum and rate of concessional power as approved by the Commission in Order dated 13.4.2022. The projections of power purchase expenses from these sources computed on the basis of weighted average rates is shown in table below:

**Table 39: Concessional Power Purchase for the FY 2023-24**

Sr. No	Source	Units Purchased (MU)	Fixed Cost (Rs crore)	Variable Cost (Rs crore)	Total Cost (Rs crore)
A	Concessional Power	2,395.56	-	444.52	444.52
<b>Total Concessional Power</b>		<b>2,395.56</b>	<b>-</b>	<b>444.52</b>	<b>444.52</b>

#### Transmission - Inter, Intra & CSLDC Charges

8.36 It is submitted that CSPDCL has to pay transmission charges to PGCIL for use of transmission facilities enabling power drawl from western & eastern region. The calculation of PGCIL charges has been considered as same levels as approved by Hon'ble Commission in Tar:iff Order dated 13.04.2022 for FY 2023-24.





8.37 Further Intra-State transmission charges and SLDC charges have also been considered at same level as approved by the Hon'ble Commission in the Tariff Order dated 13.04.2022 for FY 2023-24.

8.38 CSPDCL requests the Hon'ble Commission to kindly approve the transmission and other charges for FY 2023-24 as shown in the table below:

**Table 40: Transmission and other charges for the FY 2023-24**

Sr. No	Source	Total Cost (Rs crore)
a	Interstate Transmission Charges	724.69
b	Intrastate Transmission Charges	1,155.61
c	CSLDC Charges	19.55
<b>Total Transmission Charges</b>		<b>1,899.85</b>

#### Interstate Sale

8.39 CSPDCL would most humbly like to submit that the sale of electricity other than to retail consumers is not within the regulatory purview of the Hon'ble Commission. As electricity cannot be stored, the surplus energy has to be sold as and when available at the market realised rates. The availability of surplus energy is dependent on the consumption of the consumers and not on the licensee. The sale of surplus energy is always ensured to be sold with the objective of maximising the revenue from such sale and to pass on the accrued benefit to the retail consumers.

#### Summary of Power Purchase Cost

8.40 Thus, CSPDCL request the Hon'ble Commission to approve Power Purchase Cost as shown below. The detail calculation of Power Purchase Quantum along with its cost is provided in the Technical Format Sheet No R4, R5 respectively. The summary of the power purchase cost is shown in the Table below:

**Table 41: Power Purchase Cost for FY 2023-24**

Sr. No	Particulars	FY 2023-24		
		Units Purchased (MU)	Total Cost (Rs crore)	Paise/kWh
1	Central Generating Stations	15,072.89	5,214.74	346

Sr. No	Particulars	FY 2023-24		
		Units Purchased (MU)	Total Cost (Rs crore)	Paisa/kWh
A	NTPC	13,866.74	4,578.64	330
B	NTPC - SAIL (NSPCL)	279.94	133.49	477
C	NPCIL	277.93	94.34	339
D	Others	648.28	408.28	530
2	State Generating Stations	18,697.84	6147.31	329
A	CSPGCL - Thermal	18,023.59	6,076.01	337
B	CSPGCL - Renewables	674.25	71.30	106
3	Concessional Power - Through CSPTrdCL	2,395.56	444.52	186
4	Others - Renewables	4,695.64	1,472.73	314
A	Biomass	0.00	0.00	0.00
B	Solar	1,994.01	754.85	379
C	Hydel/Other RE	464.72	158.64	341
D	Other RE	2,236.91	559.23	250
6	Transmission Charges		1,899.85	
A	Interstate Transmission Charges		724.69	
B	Intrastate Transmission Charges		1,155.61	
C	CSLDC Charges		19.55	
7	Gross Power Purchase Cost	40,861.93	15,179.15	371
8	Adjustments	7,591.43	3,495.48	460
I	Inter State Transmission Loss	515.56	0.00	0.00
Ii	Sale to Telangana	0.00	0.00	0.00
Iii	Sale of Surplus Power	7,075.87	3495.48	494
9	Net Power Purchase	33,270.49	11,683.67	351

#### Operation and Maintenance Expenses

8.41 As per the clause 83.4.1 of CSERC Regulations, 2021 in regard to the Human Resource (HR) Expense provides that:





*"(c) The HR expenses includes employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing basis, pension fund contribution, and any other expense of non-recurring nature related to HR. The base year i.e. FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of pay revision arrears and any other expense of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.*

*(d) The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI (IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expenses (excluding impact of pension fund contribution and pay revision and any other expense of non-recurring nature, if any) for each year of the control period."*

8.42 Further, the clause 83.4.2 (c), (d) and (f) of CSERC Regulations, 2021 in regards to the A&G Expenses and R&M Expenses provides that:

*"(c) The A&G expenses (excluding expenses towards outsourcing manpower) (A&G) and R&M expenses (excluding expenses towards outsourcing manpower) (R&M) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower) and R&M expenses (excluding expenses towards outsourcing manpower), respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.*

*(d) The normalization of R&M expenses shall be done by applying last five year average increase/decrease in Wholesale Price Index (WPI) of all commodities on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22.*

*(e) For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in Inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2020-21"*



8.43 CSPDCL submits that it has estimated the component of O&M expenses based on the methodology specified in the aforesaid Regulations. The years considered for calculation for average WPI and CPI escalations are FY 2017-18 to FY 2021-22. The average growth for WPI and CPI for these years has been tabulated below:







Table 42: WPI Index for the years

Financial Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average	% Increase
FY 2014-15	114.10	114.80	115.20	116.70	117.20	116.40	115.60	114.10	112.10	110.80	109.60	109.90	113.90	
FY 2015-16	110.20	111.40	111.80	111.10	110.00	109.90	110.10	109.90	109.40	108.00	107.10	107.70	109.70	-3.65%
FY 2016-17	109.00	110.40	111.70	111.80	111.20	111.40	111.50	111.90	111.70	112.60	113.00	113.20	111.60	1.73%
FY 2017-18	113.20	112.90	112.70	113.90	114.80	114.90	115.60	116.40	115.70	116.00	116.10	116.30	114.90	2.92%
FY 2018-19	117.30	118.30	119.10	119.90	120.10	120.90	122.00	121.60	119.70	119.20	119.50	119.90	119.80	4.28%
FY 2019-20	121.10	121.60	121.50	121.30	121.50	121.30	122.00	122.30	123.00	123.40	122.20	120.40	121.80	1.68%
FY 2020-21	119.20	117.50	119.30	121.00	122.00	122.90	123.60	125.10	125.40	126.50	128.10	129.90	123.38	1.29%
FY 2021-22	132.00	132.90	133.70	135.00	136.20	137.40	140.70	143.70	143.30	143.80	145.30	148.90	139.41	13.00%

Table 43: CPI Index for the years

Financial Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average	% Increase
FY 2014-15	242	244	246	252	253	253	253	253	253	254	253	254	250.8	
FY 2015-16	256	258	261	263	264	266	269	270	269	269	267	268	265	5.65%
FY 2016-17	271	275	277	280	278	277	278	277	275	274	274	275	275.9	4.12%
FY 2017-18	277	278	280	285	285	285	287	288	286	288	287	287	284.4	3.08%
FY 2018-19	288	289	291	301	301	301	302	302	301	307	307	309	299.9	5.45%



Financial Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average	% Increase
FY 2019-20	312	314	316	319	320	322	325	328	330	330	328	326	322.5	7.53%
FY 2020-21	329	330	332	336	338	340	344	345	342	340	343	344	339	5.02%
FY 2021-22	346	347	350	354	354	355	360	362	361	360	360	363	356	5.13%

*[Handwritten signature]*



8.44 CSPDCL further submits that the normative O&M expenses have been calculated by escalating the approved normative expenses for FY 2022-23 using the escalation rates calculated above.

**Table 44 Operation and Maintenance Expense FY 2023-24**

S No.	Particulars	FY 2022-23 Order dated 13.04.2022	Projections for FY 2023-24
1	Employee Costs (Cr.)	1,245.27	1,317.28
2	A&G Expenses (Cr.)	88.88	93.38
3	R&M Expenses (Cr.)	255.87	268.82
4	<b>Total O&amp;M Expenses</b>	<b>1,590.02</b>	<b>1,679.47</b>

**Contribution to Pension and Gratuity (P&G)**

8.45 CSPDCL submits that it has considered the contribution to P&G as per the demand note received from the pension trust. CSPDCL share as per the approved methodology in MYT order dated 13.04.2022 has been considered for arriving at P&G contribution. CSPDCL would like to submit that proposed contribution towards P&G in the FY 2023-24 is shown in table below:

**Table 45 Contribution to Pension and Gratuity FY 2023-24 (Rs. Cr.)**

S No.	Particulars	Projections for FY 2023-24
1	Contribution to Pension and Gratuity	768.40

**Capital Structure for the FY 2023-24**

8.46 The capital structure for the FY 2023-24 has been determined based on following

- The actual loan addition for FY 2023-24 has been considered as Rs 1175.55 Cr.
- Addition in consumer contribution/grants has been considered Rs 674.39 Cr.
- Normative equity addition has been considered based on capital restructuring methodology as approved by the Hon'ble Commission in tariff order dated 12th July 2013.
- GFA addition of Rs. 2353.75 Cr has been projected based on the additional Capital Investment Plan for FY 2023-24.
- Capital expenditure from Revamped scheme is considered as per the Approved DPR from the state Government.
- The Capital Structure arrived through above methodology is tabulated below:

**Table 46 Capital Structure for FY 2023-24**

<b>Particulars</b>	<b>Legend</b>	<b>Projections for FY 2023-24</b>
<b>Gross Fixed Assets (GFA)</b>		
Opening GFA	A	13,043.98
Opening CWIP	B	1603.74
Opening CAPEX	C=A+B	14,647.72
Capitalization during the year	D	2,353.75
Closing GFA	E=D+A	15,397.73
Closing CWIP	F	3157.26
Closing CAPEX	G=E+F	18,554.99
<b>Grants and Consumer Contribution</b>		
Opening Grant and Contribution	H	7,532.56
Consumer contribution/grants during the Year	I	1,363.37
Closing Consumer Contribution	J=H+I	8,895.94
Consumer Contribution in Opening GFA	K=H*A/C	6,707.84
Consumer Contribution in Closing GFA	L=J*E/G	7,382.23
<b>Loan Borrowed</b>		
Opening Borrowed Loan	M	3,264.69
Loan Borrowed during the year	N	1,399.59
Closing Borrowed Loan	O=M+N	4,440.24
Borrowed Loan in Opening GFA	P=M*A/C	2,907.25
Borrowed Loan in Closing GFA	Q=MAX (O*E/G, P)	3,684.70
<b>Equity</b>		
Opening Gross Equity	R=C-H-M	3,850.47
Equity Addition During the Year	T=S-R	1,368.34
Closing Gross Equity	S=G-J-O	5,218.81
Gross Equity in Opening GFA	U=A-K-P	3,428.89
Gross Equity in Closing GFA	V=E-L-Q	4,330.79





Particulars	Legend	Projections for FY 2023-24
Average Gross Equity During the year	W=Avg. (U, V)	3,879.84
<b>Funding of Capitalized Assets</b>		
Total Capitalization	D	2,353.75
Contribution of Grant in Capitalized Assets	L-K	674.39
Contribution of Loan in Capitalized Assets	Q-P	777.46
Contribution of Equity in Capitalized Assets	V-U	901.90

**Table 47 Funding Pattern of Capitalisation (Rs. Cr.)**

Sr. No.	Particulars	Projections for FY 2023-24
	<b>Gross Fixed Assets (GFA)</b>	
1	Opening GFA	13,043.98
2	Capitalization during the year	2,353.75
3	Closing GFA	15,397.73
	<b>Funding of Capitalized Assets</b>	
4	Grant	674.39
5	Equity	503.81
6	Debt	1,175.55
7	<b>Total Capitalization</b>	<b>2,353.75</b>

8.47 CSPDCL submits the Hon'ble Commission to kindly approve the funding pattern of capitalisation as per the above Table.

#### **Depreciation**

8.48 CSPDCL has calculated as per Regulations 25 of the CSERC MYT Regulations, 2021. The relevant part of the Regulations is given below:

*DEPRECIATION*



25.1. The value base for the purpose of depreciation shall be the capital cost of the asset as admitted by the Commission:

25.2. Provided that the capital cost shall not include funds from grant or consumer contribution or deposit works received for funding of fixed asset as specified in Regulation 22.

25.3. The salvage value of the asset except for IT equipments and software used for SLDC business shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

25.4. Provided that, the salvage value for IT equipments and Software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

25.5. Land other than the land held under lease and the land for reservoir in case of hydro generating station and the land for ash-bund for thermal power stations shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. Subject to specific provisions, Land for integrated mine shall also be considered for depreciation.

25.6. Depreciation shall be calculated annually based on Straight Line Method and at rates as specified in Appendix-I to this regulation for the assets of the generating station, transmission system, distribution system and SLDC and Appendix -I (A) for integrated coal mine:

Provided that, in case of the existing projects, the balance depreciable value as on 01.04.2022 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2022 from the gross depreciable value of the assets.

Provided that in those cases where the capital investment plan has been approved by the Commission and the depreciation rates as provided in this Regulation are insufficient for the repayment of loan, the rate of depreciation shall be decided by the Commission at the time of issuance of tariff order, subject to prudence check.

Provided that in the case where additional capital investment is approved by the commission for a plant at the end of its useful life or after its useful life is already over, the recoverable depreciation in respect of additional capital investment, shall be spread over the balance projected physical life as submitted by the generation company or the licensee in the capital investment plan after prudence check by the Commission.

Provided that until a Government company or any authority or corporation is notified for operating the SLDC, the depreciation shall be calculated as applicable for the STU under these Regulations.



Provided further the balance depreciable value as on the date of transfer shall be worked out by deducting the cumulative depreciation from the gross depreciable value of the assets appearing in the books of accounts of the SLDC for the SLDC as on the date of transfer.

8.49 CSPDCL further submits that it has considered the depreciation rate as per the depreciation schedule. Based on above provisions CSPDCL has computed depreciation as given in the Table below:

**Table 48 Depreciation for FY 2023-24 (Rs. Cr.)**

S No.	Particular	Projections for FY 2023-24
1	Opening GFA	13,043.98
2	Additional Capitalisation during the Year	2353.75
3	Closing GFA	15,397.73
4	Average GFA for the year	14,220.86
5	Depreciation Rates (%)	5.44%
6	Gross Depreciation	773.51
7	Less: Depreciation on consumer contribution on live assets	176.92
8	Less: Depreciation on Fully Depreciated Assets	18.61
9	Less: Depreciation on assets converted from loan to grant under UDAY	46.20
10	<b>Net Depreciation</b>	<b>531.78</b>

8.50 CSPDCL submits the Hon'ble Commission to kindly approve the Depreciation as per the above Table.

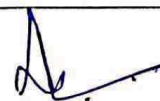
#### Interest and Finance Charge

8.51 CSPDCL submits that it has computed Interest and Finance Charges as per Section 24 of the CSERC (MYT) Regulations, 2021. The tentative loan addition for FY 2023-24 has been estimated as Rs. 777.46 Cr. The interest rates of True Up of FY 2021-22 has been considered for calculation the interest expense for FY 2023-24.

8.52 The calculation of interest and finance charges has been tabulated below:

**Table 49 Interest and Financing Charges for the FY 2023-24 (Rs. Cr.)**

S No.	Particular	Projections for FY 2023-24
1	Opening Net Normative Loan	3,153.23
2	Repayment during the year	531.78



S No.	Particular	Projections for FY 2023-24
3	Additional Capitalization of Borrowed Loan during the year	777.46
4	Addition/(Reduction) in Normative loan during the year	1,576.29
5	Closing Net Normative Loan	4,975.20
6	Average Normative loan during the year	4,064.21
7	Weighted Average Rate of Interest	8.87%
8	<b>Interest Expense</b>	360.37
9	Add: Other Finance Charges	-
10	<b>Total Interest on Loan</b>	<b>360.37</b>

8.53 CSPDCL submits the Hon'ble Commission to kindly approve the Interest & Finance charges as per the above Table.

#### Interest on Security Deposit

8.54 As per the provisions of clause 6.13 of the Chhattisgarh Supply Code 2011, interest on security deposits is payable by CSPDCL to consumers. The relevant clause is reproduced below:

*"The licensee shall pay interest as per directive / guidelines of Reserve Bank of India (RBI) on the security deposits. It shall be the responsibility of the licensee to ascertain the such rate from RBI and to inform the consumers through the billing mechanism."*

8.55 Further clause 24.10 of the CSERC MYT Regulations, 2021 provides as under:

*24.10. In case of licensee, the interest paid on security deposit to the consumers shall not be allowed as a part of Annual Revenue Requirement. The licensee shall bear the interest liability on security deposit.*

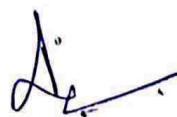
8.56 CSPDCL submits that in pursuance to aforesaid provisions it is not claiming the Interest on security deposit in the projection of expenditures for FY 2023-24.

#### Interest on Working Capital

8.57 The CSERC MYT Regulations, 2021 for Interest on Working capital of distribution Licensee provides as under:

*(d) For Distribution Wheeling Business:*

*i. O&M expenses for 15 days; plus*





ii. Maintenance spares @ 20% of Maintenance and General expenses specified in Regulation 83.4.1; plus

One (1) month equivalent of the revenue from charges for use of Distribution Wires at the prevailing tariff;

(e) For Retail Supply of Electricity:

i. O&M expenses for 15 days; plus

ii. Maintenance spares @ 20% of Maintenance and General expenses specified in Regulation 92.6.2; plus

iii. Receivables equivalent to one (1) month of the revenue from sale of electricity at the prevailing tariffs within state;

8.58 Further the CSERC MYT Regulations, 2021 states that

" 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."

8.59 CSPDCL would like to submit that in pursuance to aforesaid provisions it has estimated working capital by considering O&M Expenses for 15 days, Maintenance spares @ 20% of projected Maintenance and General expenses and receivables equivalent to one month of the revenue from sale of power at prevailing tariff within the State. CSPDCL submits that it has considered the interest rate of 9.70% (7.70% - SBI-MCLR Rate on 30<sup>th</sup> Sep, 2022 plus 200 basis points) for computing the Interest on Working Capital. The details about the computation of Interest on Working Capital is given in Table below:

Table 50: Interest on Working Capital for FY 2023-24 (Rs. Crore)

S No.	Particular	Projections FY 2023-24
1	Operation and Maintenance Expenses for 15 days	100.60
2	Maintenance spares @ 20% of Maintenance and General Expenses	72.44
3	Receivable equal to 1 month of expected revenue from charges	1,612.01

S No.	Particular	Projections FY 2023-24
4	Total Working Capital	1,785.05
5	Less: Security Deposit	
6	Net Working Capital Requirement	1,785.05
7	Rate of Interest (%)	9.70%
8	Interest on Working Capital requirement	173.15

8.60 CSPDCL submits the Hon'ble Commission to kindly approve the Interest on working capital as per the above Table.

8.61 The detail breakup of Interest on Working Capital is provided in the Technical Formats F12, F13 respectively.

#### Return on Equity

8.62 CSPDCL would like to submit that it has computed permissible equity as per approved methodology of the capital structuring and clause 23 of the MYT Regulations, 2021. The provision states that:

#### 23 RETURN ON EQUITY

23.1. Base rate for Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 14.0% for Generation and Transmission and SLDC.

23.2. Distribution: Base rate for Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 16.0%.

23.3. The ROE shall be grossed up at the time of tariff by MAT rate for the year in which tariff is being determined, subject to the condition that MAT / Corporate tax has been paid for last three consecutive years for regulated business filed petition under these Regulations. In such case, Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

$$\text{Rate of return on equity} = \text{Base rate} / (1 - \text{MAT Rate})$$

At the time of True up, the income tax shall be pass through on actual basis, subject to ceiling as following:





$$= \text{Average Permissible Equity} \times \text{Base Rate of Return} \times ((t / (1-t)))$$

Where "t" is the actual tax rate for the year. The tax rate shall be calculated without considering the delay payment surcharge received or receivable during the said financial year by generating company or licensee as the case may be.

8.63 In pursuance to aforesaid Regulations the Petitioner has estimated Return on Equity which is shown in table below:

**Table 51 Return on Equity for FY 2023-24 (Rs. Cr.)**

S No.	Particular	Projections FY 2023-24
1	Permissible Equity in Opening GFA	2,576.53
2	Permissible Equity in Closing GFA	3,080.33
3	Average Gross Permissible Equity during the year	2,828.43
4	Rate of Return (%)	16%
5	<b>Return on Equity</b>	<b>452.55</b>

8.64 CSPDCL would most humbly like to submit that the Hon'ble Commission may kindly approve the Return on Equity as per aforesaid calculations.

**Non-Tariff Income**

8.65 CSPDCL has claimed non-Tariff income for FY 2023-24 by escalating the approved Non-tariff income for FY 2022-23 vide order dated 13.04.2022 by 10%. The estimation for FY 2023-24 is given in the Table below:

**Table 52 Non-Tariff Income for FY 2023-24 (Rs. Cr.)**

S. No.	Non-Tariff Income	Projections for FY 2023-24
1	Non-Tariff Income & Wheeling Charges, Open Access & Cross Subsidy Charges	203.97

8.66 CSPDCL requests the Hon'ble Commission to approve Non-Tariff Income as per the above Table. The detailed breakup is provided in Form R8 and R9.



### Impact of APTEL Judgement

8.67 CSPDCL requests the Hon'ble Commission to approve the income on consumer security deposit amounting to Rs. 30.98 Crore along with carrying cost from FY 2013-14 is claimed by the Petitioner basis the decision of the APTEL in Appeal No. 182 of 2015 against Tariff Order dated 23<sup>rd</sup> May 2015.

### Aggregate Revenue Requirement

8.68 Based on submission in above paragraphs the Annual Revenue Requirement for FY 2023-24 is shown below:

**Table 53: Aggregate Revenue Requirement for FY 2023-24 (Rs. crore)**

S. No.	Particulars	FY 2023-24
<b>A</b>	<b>Power Purchase Expenses</b>	<b>11,684</b>
1	Power Purchase Cost	13,279
2	Inter-State Transmission charge	725
3	Intra-State Transmission Charges	1,156
4	CSLDC Charges	20
5	Less: Sale of Power to Telangana	-
6	Less: Sale of Surplus Power	3,495
<b>B</b>	<b>Operation &amp; Maintenance Expenses</b>	<b>2,448</b>
1	Employee Expenses	1,317
2	Administrative and General Expenses	93
3	Repair and Maintenance charges	269
4	Pension & Gratuity	768
<b>C</b>	<b>Interest &amp; Finance Expenses</b>	<b>534</b>
1	Interest on Loan	360
2	Interest on Security Deposit	-
3	Interest on Working Capital Requirement	173
<b>D</b>	<b>Other Expenses</b>	<b>984</b>
1	Depreciation	532
2	Return on Equity	453
<b>E</b>	<b>Less: Non-Tariff Income</b>	<b>204</b>
1	Non-Tariff Income	204
<b>F</b>	<b>Impact of APTEL Judgement on CSD Issue</b>	<b>136</b>
<b>G</b>	<b>Aggregate Revenue Requirement</b>	<b>15,581.14</b>

8.69 Thus, CSPDCL request the Hon'ble Commission to approve Annual Revenue Requirement of Rs.15,581.14 Crore for FY 2023-24 as shown above. The detail calculation of Aggregate Revenue Requirement is provided in the Technical Format Sheet No S3 respectively.





### Revenue from Sale of Power at Existing Tariff

8.70 The Revenue from Sale of Power for FY 2023-24 has been calculated based on the tariff determined by the Hon'ble Commission in the Tariff Order for FY 2022-23 dated 13<sup>th</sup> April 2022. The detail breakup of Revenue from Sale of Power at Existing Tariff is provided in the Technical Formats Sheet no R12 respectively and are as follows:

8.71 The Category wise Revenue from sale of Power for FY 2023-24 is provided as under:

**Table 54: Details of Category Wise Revenue for FY 2023-24**

S No.	Category Nomenclature	Consumer category	Revenue (Rs. Crore)
<b>LV Categories (A) (MU)</b>			<b>9,878.29</b>
1	LV 1	Domestic Including BPL Consumers	3,774
2	LV 2	Non-Domestic (Normal Tariff)	204
3	LV 2.1	Non-Domestic (Demand Based)	871
4	LV 3	Agriculture Metered	2,990
5	LV 4	Agriculture allied	29
6	LV 5	LT Industry	584
7	LV 6	Public Utilities	395
8	LV 7	IT Industry	1
9	LV 8	Temporary	1,031
<b>HV Categories (B) (MU)</b>			<b>9,465.88</b>
10	HV 1	Railway Traction	809
11	HV 2	Mines (Coal & Others)	684
12	HV 3	Other Industry & General Purpose <sup>o</sup> Non-Industrial	1,846
13	HV 4	Steel Industries	5,734
14	HV 5	PWW, Irrigation & Agriculture allied activities	206
15	HV 6	Residential Purpose	144
16	HV 7	Start-up Power Tariff	36
17	HV 8	Industries related to manufacturing of equipment for power generation from RE Sources	2
18	HV 9	IT Industries	4
19	HV 10	Temporary	
<b>Total (A+B)</b>			<b>19,344.17</b>

**Table 55: Revenue from Sale of Power at Existing Tariff (Rs. crore)**

S No.	Particular	Revenue (Rs. Crore)
1	Revenue from Retail Sale of Power	19,344.17



## Revenue Surplus / (Deficit)

8.72 The standalone revenue Surplus / (Deficit) for FY 2023-24 are as follows:

**Table 56: Standalone Revenue Surplus / (Deficit) (Rs. crore)**

Sr. No	Particulars	Legend	Amount (Rs. Crore)
1.	Aggregate Revenue Requirement	A	15,581.14
2.	Income from Sale of Power at Existing Tariff	B	19,344.17
3.	Standalone (Deficit) / Surplus	C=B-A	3,763.03
4.	(Deficit) / Surplus carried forward (review Petition)	D	(6134.77)
5.	Net (Deficit) / Surplus for the year	E=D-C	(2371.73)

8.73 CSPDCL would like to submit that there is net standalone surplus of Rs. 3763.03 Crore in the FY 2023-24. However, considering the net revenue gap of Rs (6134.77) crore carried forward from True up part of this Petition along with carrying cost, there is overall revenue gap of Rs (2,371.73) Crore in the FY 2023-24. CSPDCL, requests the Hon'ble Commission to approve the same.

8.74 CSPDCL humbly requests the Hon'ble Commission to approve the net gap after considering surplus/deficit position of CSPGCL/CSPTCL/CSLDC.

## 9. Retail Tariff Proposal

### To meet the Revenue Gap

9.1 CSPDCL would like to submit that determination of tariff for retail sale is prerogative of Hon'ble Commission U/s 62(3) of Electricity Act 2003, hence it would like to submit that the ACOS for FY 2023-24 after including the net revenue Gap comes out to Rs. 6.22 per unit which is the approved average cost of supply by the Commission during FY 2022-23 and as such there is no tariff hike is required to meet the current gap.

**Table 57: Standalone Revenue Surplus / (Deficit) and ACOS (Rs. crore)**

Sr. No	Particulars	Legend	Amount (Rs. Crore)
1.	Aggregate Revenue Requirement	A	15,581.14





Sr. No	Particulars	Legend	Amount (Rs. Crore)
2.	Income from Sale of Power at Existing Tariff	B	19,344.17
3.	Standalone (Deficit) / Surplus	C=B-A	3,763.03
4.	(Deficit) / Surplus carried forward (review Petition)	D	(6134.77)
5.	Net (Deficit) / Surplus for the year	E=D-C	(2371.73)
6.	Sales (Mus)	F	28,885
7.	ARR (Rs. Crore)	G	15,581
8.	Revenue (Rs. Crore)	H	19,344
9.	ACOS (Rs. Crore) Standalone	I	5.39
10.	ACOS (Rs. Crore) Cumulative	J=(A+E)/F	6.22

### Other Proposals

- A new sub-category under LV 5 (LT Industry) named mines with stone crusher units to be introduced as the Electricity Duty for LT and HT Category are different.
- The intention of power off hours is to compensate power intensive industries from interruptions. The Commission has already revised duration of 30 hours to 36 hours recently in the Tariff Order dated August 2, 2021. The same needs to be relooked for 132 kV and above as there are no Power off / Breakdown provided for these categories of consumers. CSPDCL requests to abolish the same for 132 kV and 220 kV Consumers.



XXX\_\_XXX

## 10. Prayer to Commission

10.1 CSPDCL requests the Hon'ble Commission to:

- a) To invoke the power conferred to it under Section 62 of the Electricity Act, 2003, and to admit the Petition seeking approval of CSPDCL final true up of FY 2021-22, Re-determination of ARR and Retail Tariff for FY 2023-24.
- b) To allow the revenue gap taken under Chapter 5 of this Petition which is against the disallowed expenses and revenue towards final true up of FY 2018-19 determined by Hon'ble Commission in Impugned tariff order dated 02.08.2021.
- c) To allow taxes, FBT, Cess, etc. as pass through on actual basis.
- d) To condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioner to add/ change/ modify/ alter this filing and make further submissions as may be required at a later stage during Regulatory process.
- e) To allow further submissions, addition and alteration to this Petition as may be necessitated at a later stage of Petition considering the contents of Petition being voluminous and carrying numerous figures/ calculations.
- f) Treat the filing as complete in view of substantial compliance as also the specific requests for waivers with justification placed on record.
- g) To allow leave for submission of formats, computations of wheeling charges and voltage wise cost of supply during the course of proceeding of this Petition.
- h) Appeal no. 10290-10291 before Hon'ble Supreme Court containing issues related to Delayed Payment Surcharge, Sale of Surplus Power and 33 kV Distribution Loss Incentive and a writ Petition bearing no 1927/2016 before Hon'ble High Court of Chhattisgarh containing issues in Tariff Order dated 12<sup>th</sup> June 2014 passed by the Hon'ble Commission against final true up for FY 2011-12 and FY 2012-13 are pending. Further, Appeal No. 286 of 2017 against Tariff Order dated 26<sup>th</sup> March 2018 and Appeal No. 161 of 2021 are pending before Hon'ble ATE. Though outcome of issues raised in aforesaid matters may have bearing on successive tariff orders, yet all such issues have been considered in accordance with respective MYT Regulations and its amendments from time to time. Further, this Petition is without prejudice to any recourse or exercise of any other remedy in respect of the MYT Regulations or/and any relevant provision under the Act.
- i) To exclude expenditure of Rs 99.03 crores and Rs 64.26 crores or any expenses under this head after audited accounts of FY 2020-21 towards A&G and R&M respectively from controllable expenditure since these relate to major services involved in distribution business and further like to exclude the above expenditure in computation of sharing of Losses in True Up part of this Petition.
- j) To invoke powers to relax for distribution loss under the provisions of clause 83 of the MYT Regulations, 2015 in respect of specific issues raised under True Up part of this Petition.



- k) To consider biomass generating stations under purview of Merit Order Despatch in the best interest of Power Purchase Cost as these stations contain two-part Tariff and are not intermittent in nature like Wind Generating Stations. CSPDCL understands that there shall be a liability related towards fixed cost arising out of non-scheduling of electricity and in backdrop of this understandings hon'ble Commission may kindly allow claim of actual expenditure towards payment of :ts fixed cost towards biomass generators at the time of True Ups.
- l) Any other relief as it may deem fit and proper;

BY THE APPLICANT THROUGH



Executive Director (RA&PM)  
CSPDCL, Raipur.