

**BEFORE THE CHHATTISGARH STATE ELECTRICITY REGULATORY
COMMISSION**

RAIPUR

Review Petition No. _____ of 2024

IN

Petition No 86/2023 (T)

FILE No.

CASE No.

AND IN THE MATTER OF:

DB Power Limited,
Through its authorized Signatory
Shailendra Bajpai

..... **Petitioner**

AND


Chhattisgarh State Power Distribution Company Limited
Through its Managing Director

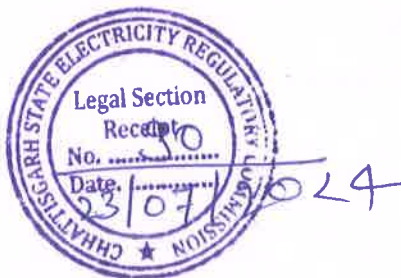
..... **Respondents**

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Raipur
Dated: 23/07/2024


(Shailendra Bajpai)
Authorized Signatory
For D.B. Power Ltd.



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BEFORE THE CHHATTISGARH STATE ELECTRICITY REGULATORY
COMMISSION
RAIPUR

Review Petition No _____ of 2024

IN

Petition No. 86/2023(T)

In the matter of:

Petition under Section 94(1)(f) of the Electricity Act, 2003 for review of the order dated 26.06.2024 passed by the Hon'ble Commission in Petition No. 86/2023(T)

FILE No.

CASE No.

AND IN THE MATTER OF:

DB Power Limited,
having its corporate office at
C-31, Naman Corporate Link,
3rd floor, G Block, Opposite Dena Bank,
Bandra-Kurla Complex, Bandra (East),
Mumbai- 400051, Maharashtra.

And its plant at

Village: Badadarha,
Dist: Sakti (erstwhile Janjgir-Champa), Chhattisgarh 495695

Through its authorized Signatory

Shailendra Bajpai vide resolution dated 08.05.2023

..... **Petitioner**

AND

Chhattisgarh State Power Distribution Company Limited

Having its head office at



2

4th Floor, Vidyut Seva Bhawan,
Danganiya, Raipur- 492013, (C.G)

Through its Managing Director

..... Respondent

**PETITION UNDER SECTION 94(1)(f) OF THE ELECTRICITY ACT,
2003 FOR REVIEW OF THE ORDER DATED 26.06.2024**

MOST RESPECTFULLY SHOWETH:

1. The Review Petitioner is filing this Petition for rectification of the order dated 26.06.2024 passed by this Hon'ble Commission in tariff Petition no. 86/2023(T) to the extent the Hon'ble Commission while accepting the submissions of the Petitioner that it has used mix of auction coal, open market coal and imported coal in generating power supplied to the Respondent, has erroneously computed the ex-bus energy charge rate as Rs 2.891/kWh without taking into account the weightage average price of imported coal. A copy of the order dated 26.06.2024 is annexed and marked as **Annexure P-1**, hereto.
2. The Review Petitioner – D. B. Power Ltd., had filed tariff Petition No. 86/2023 (T) under Section 86 of the Electricity Act, 2003 before this Hon'ble Commission, inter alia, for truing Up of Energy Charge Rate (Variable Cost) for FY 2022-23 in respect of 5% of the net generated power procured by the Respondent.



3. The Petitioner had filed the said Petition no. 86/2023(T) claiming ex-bus energy charges rate (ECR) of Rs 3.073/unit computed on actual basis for F.Y 2022-23.
4. That in absence of availability of linkage coal, the Petitioner had used mix of auction coal, open market coal and imported coal. One of the components considered by the Petitioner in computing ECR was the Landed Price of Primary Fuel (LPPF). The LPPF for the relevant year was computed by the Petitioner after considering the weightage average cost of coal procured through e-auction, open market and import of coal as shown in Table C-1 of the Petition. Table C-1 of the Petition is reproduced hereunder for ready reference:

Table C-1: Computation of Landed Cost of Coal for F.Y 2022-23

| S.No. | Particular | Quantity | Cost of Consumption | Rate |
|-------|--------------------------|------------------|-----------------------|--------------|
| | | in MT | amount in ₹ | ₹/kg |
| 1 | SFEA/SPOT e auction Coal | 13,17,546 | 3,89,69,65,693 | 2.958 |
| 2 | Open Market Coal | 16,465 | 15,40,56,514 | 9.357 |
| 3 | Imported Coal | 1,14,434 | 1,30,70,84,629 | 11.422 |
| 4 | TOTAL | 14,48,445 | 5,35,81,06,835 | 3.699 |

5. Considering the LPPF of Rs 3.699/kg as shown herein above, the Petitioner had arrived at ex-bus ECR of 3.073 on actual basis as shown in Table C-3 of the Petition. Table C-3 of the Petition is reproduced hereunder:

Table C-3: Computation of Energy Charge Rate for F.Y 2022-23

| S.No | Particular | Unit | Normative | Actual |
|------|--|-----------------|--------------|--------------|
| 1 | Auxiliary Consumption | % | 5.25 | 5.55 |
| 2 | Calorific Value of Primary Fuel (CVPF) | kCal /kg | 3,047.32 | 3,047.32 |
| 3 | Calorific Value of Secondary Fuel (CVSF) | kCal /ml | 10 | 10 |
| 4 | Gross Station Heat Rate (GSHR) | kCal/kWh | 2,390 | 2,381 |
| 5 | Transit Loss | % | 0.80 | 0.16 |
| 6 | Landed Price of Primary Fuel (LPPF) | Rs. /Kg | 3.723 | 3.699 |
| 7 | Specific Fuel Oil Consumption (SFC) | ml/kWh | 0.5 | 0.17 |
| 8 | (Landed Price of Secondary Fuel (LPSFI) | Rs. / ml | 0.09 | 0.09 |
| 9 | ECR (Ex-Bus) | Rs. /kWh | 3.121 | 3.073 |

6. From the table reproduced herein above, it can be seen that the weightage average landed cost of primary fuel (LPPF) submitted by the Petitioner, after taking into account the e-auction, open market and imported coal and considering the transit loss @ 0.16%, was Rs 3.699/kg on actual basis and Rs. 3.723/kg on normative basis considering the transit loss of 0.80%.

7. That after verifying the submissions of the Petitioner, this Hon'ble Commission in respect of the weightage average landed price of Primary Fuel (LPPF) held as under:-

"Commission's View

In response to respondent's submission that obtaining the linkage coal allocation is responsibility of the petitioner and as petitioner has not obtained linkage coal allocation therefore, for computing ECR cost of linkage coal should be considered, petitioner has submitted that Mahanadi Coalfields refused to allow linkage coal allocation even after submission of eligibility criteria certificate and advised the petitioner to seek clarification from Central Electricity Authority (CEA). Consequently, the petitioner has taken up this issue with CEA seeking clarification of the aforesaid issue and is awaiting response from CEA. Therefore, petitioner has utilized a mix of e-auction coal, open market coal and imported coal from claiming ECR.

The Commission has verified the submission of the petitioner and found the same in order, therefore, has considered mix of e-auction coal, open market coal and imported coal from claiming ECR.

After prudence check, the Commission has considered the landed price of coal as Rs. 3699.21/MT.



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| <i>S. T No. a b</i> | <i>Particular</i> | <i>Unit</i> | <i>As submitted by the Petitioner</i> | <i>As considered by the Commission</i> |
|-----------------------------|---|------------------|---|--|
| <i>1</i> | <i>Weightage Average Land -ed price of Primary Fuel</i> | <i>₹/M T</i> | <i>Rs 3699.21/MT</i> | <i>Rs 3699.21/MT</i> |

8. The Hon'ble Commission has therefore rightly considered a mix of e-auction coal, open market coal and imported coal for computing LPPF and allowed the landed price of coal on actual basis as Rs 3699.21/MT.

9. However, the Hon'ble Commission while computing the normative value of weightage average landed price of coal has erroneously considered the weightage average rates of e-auction and open market coal only and overlooked the weightage average rates of imported coal. So also, the Hon'ble Commission has considered the Normative Transit Loss @ 0.8% as against the Petitioner's consideration of transit loss at actual as a result of which the LPPF has been wrongly computed as Rs 3.061/kg by the Hon'ble Commission as shown in the table A given herein below:

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TABLE A: Erroneous Computation of LPPF

| S.No. | Particulars | Quantity | Cost of Consumption | Rate |
|-------|--|------------------|-----------------------|---------------|
| | | in MT | amount in ₹ | ₹/kg |
| | | (a) | (b) | (c) = (b)/(a) |
| 1 | SFEA/SPOT e auction Coal | 13,17,546 | 3,89,69,65,693 | 2.958 |
| 2 | Open Market Coal | 16,465 | 15,40,56,514 | 9.357 |
| 3 | Weighted Average Rate | 13,34,011 | 4,05,10,22,206 | 3.037 |
| 4 | Normative Transit Loss | | | 0.8% |
| 5 | Weighted Average Rate after considering Normative Transit Loss 3/ (1-4) | | | 3.061 |

10. It is submitted that on account of the above error, the energy charge rate (ECR) has also been wrongly computed by the Hon'ble Commission which is evident from the Table 6 given in paragraph 14 of the order dated 26.06.2024. The said Table 6 of the order dated 26.06.2024 is reproduced hereunder for ready reference:

Table 6 of the Order:

| S. No. | Particular | | F Y 2022-23 | | | |
|--------|------------|----------|-------------------------|-----------|----------------------------|-----------|
| | | | Petitioner's Submission | | Approved by the Commission | |
| | | | Unit | Normative | Actual | Normative |
| 1 | Aux | % | 5.25 | 5.55 | 5.25 | 5.55 |
| 2 | CVPF | kCal /kg | 3047.32 | 3047.32 | 3047.32 | 3,047.32 |

| | | | | | | |
|----|---|-----------|-------|---------|-------|-------|
| 3 | CVSF | kCal /ml | 10.00 | 10.00 | 10.00 | 10.00 |
| 4 | GSHR | kCal /kWh | 2390 | 2380.61 | 2,390 | 2,362 |
| 5 | LPPF | Rs. /Kg | 3.723 | 3.699 | 3.061 | 3.699 |
| 6 | SFC | ml/kWh | 0.50 | 0.17 | 0.50 | 0.17 |
| 7 | LPSFI | Rs. / ml | 0.09 | 0.09 | 0.09 | 0.09 |
| 8 | ECR (Ex-Bus) | Rs. /kWh | 3.121 | 3.073 | 2.574 | 3.049 |
| 10 | ECR (after sharing of Gains and Losses) | Rs. / kWh | 3.089 | | 2.891 | |

11. It is submitted that there is an error in computation of LPPF as a result of which the ex-bus ECR on actual basis has also been wrongly computed. The correct computation of LPPF and ECR after taking into account the weightage average cost of imported coal comes to Rs 3.723/kg and Rs 3.073/kWh respectively as shown in Table-B and Table-C herein below:

Table B: Correct Computation of LPPF

| S.No. | Particulars | Quantity | Cost of Consumption | Rate |
|-------|--------------------------|-----------|---------------------|---------------|
| | | in MT | amount in ₹ | ₹/kg |
| | | (a) | (b) | (c) = (b)/(a) |
| 1 | SFEA/SPOT e auction Coal | 13,17,546 | 3,89,69,65,693 | 2.958 |
| 2 | Open Market Coal | 16,465 | 15,40,56,514 | 9.357 |
| 3 | Imported Coal | 1,14,434 | 1,30,70,84,629 | 11.422 |

| | | | | |
|---|---|-----------|----------------|--------|
| 4 | Weighted Average Rate | 14,48,445 | 5,35,81,06,835 | 3.699* |
| 5 | Transit Loss | | | 0.64% |
| 6 | Weighted Average Rate after considering Normative Transit Loss 4/ (1-5) | | | 3.723 |

(NB: Inclusive of transit loss of 0.16%)

Table C: Correct Computation of ECR

| S. No. | Particular | Unit | FY 2022-23 | | | |
|--------|---|----------|-------------------------|----------|------------------------------|----------|
| | | | Petitioner's Submission | | To be Approved by commission | |
| | | | Normative | Actual | Normative | Actual |
| 1 | Aux | % | 5.25 | 5.55 | 5.25 | 5.55 |
| 2 | CVPF | kCal /kg | 3,047.32 | 3,047.32 | 3,047.32 | 3,047.32 |
| 3 | CVSF | kCal /ml | 10 | 10 | 10 | 10 |
| 4 | GSHR | kCal/kWh | 2,390 | 2,381 | 2,390 | 2,362 |
| 5 | LPPF | Rs. /Kg | 3.723 | 3.699 | 3.723 | 3.699 |
| 6 | SFC | ml/kWh | 0.5 | 0.17 | 0.5 | 0.17 |
| 7 | LPSFI | Rs. / ml | 0.09 | 0.09 | 0.09 | 0.09 |
| 8 | ECR (Ex-Bus) | Rs. /kWh | 3.121 | 3.073 | 3.121 | 3.049 |
| 10 | ECR (after sharing of Gains and Losses) | Rs. /kWh | 3.089 | | 3.073 | |

12. It is submitted that if the order is not modified and the cost of consumption of coal, which is being actually incurred by the Petitioner, is not allowed to be fully recovered by way of the energy charge, it would result in under-recovery of actual cost incurred, and would therefore put the Petitioner to loss.

13. In view of the above, the Petitioner is filing the present Petition seeking review and modification of the Order dated 26.06.2024 to the extent stated herein above.

14. The present Review Petition is being made *bona fide* and in the interest of justice.

15. The Petition has paid the requisite fee on the application. This Hon'ble

Commission has the jurisdiction to deal with the review petition. *fee filed by in schedule 1 - 23 (2) of Rs. 25,000/- on 15.07.24 by Tyn. No. M. 1026316 by PNB Bank. 23*

PRAAYER

In view of the above stated facts and submissions, it is most respectfully prayed that this Hon'ble Commission may kindly be pleased to:

- a) allow the present Review Petition;
- b) review and modify the Order dated 26.06.2024 in terms of the present Petition and rectify the weightage average landed price of primary coal (LPPF) to Rs. 3.723/kg and energy charge rate (ECR) to Rs. 3.073/kWh;
- c) direct the Respondent to reimburse the filing fees paid by the Petitioner for this Petition;

(11)

- d) pass such further order(s) or direction(s) as this Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.



REVIEW PETITIONER

**BEFORE THE CHHATTISGARH STATE ELECTRICITY REGULATORY
COMMISSION**

RAIPUR

Review Petition No _____ of 2024

FILE No.

CASE No.

IN THE MATTER OF:

DB Power Limited,
Through its Authorized Signatory **Petitioner**

Versus

Chhattisgarh State Power Distribution Company Limited
Through its Managing Director **Respondent**

Affidavit verifying the petition

I Shailendra Bajpai S/O of Shri D.P. Bajpai aged 44 years Post- Senior Manager (Legal) Residing at DB Power Limited, Village: Badadarha, Dist. Janjgir-Champa (C.G.) do solemnly affirm and say as follows:

1. I am a Senior Manager (Legal) of DB Power Ltd, the applicant/petitioner in the above matter and am duly authorized by the said applicant/petitioner to make this affidavit on its behalf.
2. The statement petition herein now shown to me and has been prepared based on the documents and record maintained by petitioner company are true to my knowledge are based on the information received by me and I believe them to be true.
3. I say that the documents filed along with the petition are true copies of their respective originals.


Deponent

Verification

I Shailendra Bajpai S/o of Shri D.P. Bajpai the deponents do hereby verify that the contents of paragraphs 01 to 03 above in the affidavit are true to my knowledge and no part of it is false and nothing material has been concealed there from verified at Raipur on the day of 23/07/2024.


Deponent



Annexure P-1

13

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



Petition No. 86 of 2023(T)

In the Matter of :

Truing up of Energy charge rate including approval of reimbursement of other expenses for FY 2022-23 and determination of Energy Charge Rate including approval for reimbursement of other expenses for FY 2024-25.

M/s D B Power Limited

.....

Petitioner

Vs

M/s Chhattisgarh State Power Distribution Company Ltd.

.....

Respondent

PRESENT

: **Hemant Verma, Chairperson**
:
: **Pramod Kumar Gupta, Member**

Appearance

: **Shri Shailendra Bajpai for petitioner**
:
: **Shri Abhinav Kardekar, Counsel along with Shri**
: **Biplab Dutta, EE for respondent**

ORDER

(Passed on 26/06/2024)

This order is passed in petition filed by M/s D B Power Limited under the provisions of Section 62, 86 (1) (b) of the Electricity Act, 2003, for truing up of Energy charge rate including approval of reimbursement of other expenses for FY 2022-23 and determination of Energy Charge Rate including approval for reimbursement of other expenses for FY 2024-25 from 1200 MW (2x600 MW) of thermal generating station located at Badadarha, Distt. Janjgir-Champa, Chhattisgarh. The petitioner has supplied 5% of net power generated from aforesaid generating station during FY 2022-23 at variable cost to Chhattisgarh State Power Distribution Company Limited (CSPDCL).

2. Petitioner has sought following reliefs:
 - (i) True up the Energy (Variable) Charges of Rs. 3.073/unit and reimbursable expenses of Rs. 0.218/unit for FY 2022-23;
 - (ii) Direct the Respondent to pay the difference / shortfall in the energy (variable) charge and reimbursable expenses for FY 2022-23 forthwith upon approval by this Hon'ble Commission;
 - (iii) Approve the provisional Energy (Variable) Charges of Rs 3.155/unit together with reimbursable expenses (electricity duty, water charges, fly ash expenses etc.) on actual basis for FY 2023-24; along with collecting Fuel Cost Adjustment (FCA) charges as specified in the CSERC MYT Tariff Regulations, 2021.
 - (iv) Direct the Respondent to reimburse the filing fees paid by the Petitioner towards this Petition;
 - (v) Allow carrying cost from the respective billing month: and
 - (vi) Condone any inadvertent omissions / errors / rounding off differences / shortcomings and permit the Petitioner to add/alter the Petition and make further submissions as may be required at a future date.
3. The instant petition was filed on 22.11.2023 and registered as petition no 86/2023 on 04.12.2023. In compliance to the clause 6.4 of MYT Regulations, 2021, the petitioner had published a notice comprising salient features of the tariff petitions on 12.02.2024 in newspapers for inviting objections/suggestions from the stakeholders.
4. Respondent CSPDCL has submitted objections to the petition on 26.03.2024.
5. Public hearing was conducted on 27.03.2023.
6. **Methodology for computation of energy charge**

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

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

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

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

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

Where,

AUX = Normative auxiliary energy consumption in percentage.

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

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

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

$$GCV \times (1 - TM) / (1 - IM)$$

Where, GCV = Gross calorific value of coal

TM = Total Moisture

IM : Inherent Moisture

(b) Weighted Average Gross calorific value of coal as received, in kCal per kg for coal based stations less 85 Kcal/kg on account of variation during storage at generating station; Provided that at the time of true-up the GCV of coal on account of variation during storage at generating station shall be allowed at maximum value of 85 Kcal/kg.

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

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

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

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

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

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

Provided that, in case of primary fuel supply from integrated mines, the cost of fuel shall be computed in accordance with the regulations notified by CSERC. In the absence of State regulation, regulation notified by CERC shall be adopted.

SFC = Specific fuel oil consumption, in ml per kWh.

LPSFi = Weighted Average Landed Price of Secondary Fuel in Rs./ml considered initially"

Truing up of Energy Charge Rate for FY 2022-23**7. Auxiliary Energy Consumption****Petitioner's Submission**

Petitioner submitted that Regulation 43.5 of CSERC MYT Regulations, 2021 stipulates Auxiliary Energy Consumption of coal based generating stations of 500 MW and above having steam driven boiler feed pumps at 5.25%. Accordingly, Petitioner has computed actual auxiliary energy consumption as 5.55%.

Respondent's Submission

Respondent has submitted that normative auxiliary consumption of the petitioner's plant should be considered as 5.25% as specified in CSERC MYT Regulations 2021 and actual value of auxiliary energy consumption submitted by the petitioner should not be considered for determining energy charge rate.

Commission's View

Submission of the respondent CSPDCL that actual value of auxiliary energy consumption should not be considered for computation of energy charge rate cannot be accepted as CSERC MYT Regulations 2021 provides for sharing of gains and losses between controllable normative parameters and actual normative parameters. Therefore, as per Regulations, the Commission has to consider actual values of controllable parameters alongwith normative parameters, hence the Commission has considered actual value of normative auxiliary consumption for computation of energy charge rate.

The normative auxiliary energy consumption is 5.25% for the petitioner's plant as specified in MYT Regulations, 2021. Therefore, the Commission accepts the submission of the petitioner and considered normative auxiliary energy consumption as 5.25% for truing up of energy charge rate for FY 2022-23. The petitioner has submitted actual auxiliary energy consumption as 5.55% and the same has been considered by the Commission for sharing gains/losses.

Table-1

| S. No. | Particular | Unit | As submitted by the Petitioner | Normative as considered by the Commission | Actual as considered by the Commission |
|--------|------------------------------|------|--------------------------------|---|--|
| 1 | Auxiliary Energy Consumption | % | 5.55 | 5.25 | 5.55 |

8. Gross Calorific Value (CVPF) of Primary Fuel

Petitioner's Submission

The petitioner has claimed energy charge rate for FY 2022-23 on the basis of as received GCV of 3,047.32 kcal/kg for the coal consumed. Petitioner submitted relevant data and documents on 23.02.2024 and 24.05.2024 pertaining to the GCV of coal procured through e-auction coal, open market coal and imported coal in response to additional information sought by the Commission.

Respondent's Submission

Respondent submitted that the Petitioner has not provided the exact values pertaining to Gross Calorific Value of the coal procured from various sources. Further, even the coal auction notices annexed with the Petition do not provide the GCV data of the coal procured by the Petitioner. However, the Petitioner has on one hand failed to provide exact data pertaining to GCV and on the other hand has conveniently taken value of GCV as 3047.32 kCal/kg. Therefore, the Petitioner may be directed to file documents in support of gross calorific value of coal consumed in relevant period for the determination of ECR.

Commission's View

Clause 45.5 of CSERC MYT Regulations, 2021 specify methodology and principle for determination of energy charges of thermal power generating stations. Accordingly, CVPF is taken as gross calorific value of primary fuel 'as received basis' in kCal per kg. In the petition, petitioner has computed energy charge rate on the basis of 'as received GCV' in accordance with provisions of the CSERC MYT Regulations 2021. It is pertinent to mention here that Ministry of Power, Government

of India, under Section 11 of the Electricity Act, 2003 issued directions to state gencos and IPPs to blend imported coal @ 4% upto 27.04.2022 and @ 10% from 28.04.2022 to 31.03.2023. This direction was also applicable to petitioner's power plant and hence petitioner has procured imported coal and blended the same with domestic coal. During scrutiny, it was found that petitioner has blended imported coal within the specified limits. Therefore, the Commission has computed CVPF by taking weighted-average GCV of e-auction coal, open market coal and imported coal. The Commission has considered GCV of the coal as 3047.32 kCal/kg for computation of energy charge rate as computing energy charge rate on the basis of 'as received GCV' is in the interest of the consumers of the State.

9. Calorific Value of Secondary Fuel

Petitioner's Submission

The petitioner has submitted calorific value of secondary fuel as 10,000 kcal/litre for FY 2022-23.

Respondent's Submission

Respondent has not submitted any objection in respect of CVSF.

Commission's View

After prudence check of secondary fuel bills, the Commission has considered calorific value of secondary fuel as 10,000 kcal/litre for FY 2022-23 for computation of energy charge rate.

10. Gross Station Heat Rate (GSHR)

Petitioner's Submission

Petitioner has claimed actual GSHR as 2,380.61 kCal/kWh considering weighted average GCV on as fired basis of coal procured from all sources.

Respondent's Submission

Respondent has not submitted any objection in respect of Gross Station Heat Rate.

Commission's View

As the petitioner's plant has achieved COD on 26/03/2016 i.e. prior to 01/04/2022, therefore, this generating station will be categorized as 'existing generating station' in

accordance with the CSERC MYT Regulations, 2021. Hence, the Commission has considered normative GSHR as 2390 kCal/kWh for this generating station in accordance with the clause 43.3 (A) of CSERC MYT Regulations, 2021.

After prudence check of the information submitted by the petitioner, the Commission has computed actual GSHR as 2361.95 kCal/ kWh considering weighted-average GCV on as received basis of the coal procured through all sources, for the purpose of sharing gains and losses for FY 2022-23.

Table-2

| S. No. | Particular | Unit | As submitted by the Petitioner | Normative as considered by the Commission | Actual GSHR as considered by the Commission |
|--------|-------------------------|----------|--------------------------------|---|---|
| 1 | Gross Station Heat rate | kCal/kWh | 2,380.61 | 2,390 | 2361.95 |

11. Weighted Average Landed Price of Primary Fuel

Petitioner's Submission

The petitioner claimed actual weighted average landed price of primary fuel from e-auction coal, open market coal and imported coal for the FY 2022-23 as Rs. 3699.21/MT.

Respondent's Submission

Respondent submitted that on 30.06.2022 the CSPTTrCL was merged with CSPDCL by a notification issued by the State Government. Therefore, energy supplied by the petitioner during FY 2022-23 shall be treated as energy supplied to distribution licensee directly and therefore, it was contractually bound to procure linkage coal for supplying power to the respondent. However, the petitioner in its petition has submitted that it did not use linkage coal to supply power to respondent which is the default on the part of the petitioner. Therefore, the respondent has requested that the landed price of primary fuel may be considered only by taking the cost of linkage coal.

Commission's View

In response to respondent's submission that obtaining the linkage coal allocation is responsibility of the petitioner and as petitioner has not obtained linkage coal allocation therefore, for computing ECR cost of linkage coal should be considered, petitioner has submitted that Mahanadi Coalfields refused to allow linkage coal allocation even after submission of eligibility criteria certificate and advised the petitioner to seek clarification from Central Electricity Authority (CEA). Consequently, the petitioner has taken up this issue with CEA seeking clarification of the aforesaid issue and is awaiting response from CEA. Therefore, petitioner has utilized a mix of e-auction coal, open market coal and imported coal from claiming ECR.

The Commission has verified the submission of the petitioner and found the same in order, therefore, has considered mix of e-auction coal, open market coal and imported coal from claiming ECR.

After prudence check, the Commission has considered the landed price of coal as Rs. 3699.21/MT .

Table-3

| S. No. | Particular | Unit | As submitted by the Petitioner | As considered by the Commission |
|--------|---|------|--------------------------------|---------------------------------|
| 1 | Weighted Average Landed Price of Primary Fuel | ₹/MT | Rs. 3699.21/MT | Rs. 3699.21/MT |

12. Secondary Fuel Oil Consumption

Petitioner's Submission

The petitioner has submitted actual secondary fuel oil consumption 0.17 ml/kwh as against the normative value of 0.50 ml/kwh for the FY 2022-23.

Respondent's Submission

Respondents have made no submission in relation to Secondary fuel oil consumption.

Commission's View

The Commission has considered the normative secondary fuel oil consumption for FY 2022-23 as 0.50 ml/kwh in accordance with the MYT Regulations, 2021. Further for the purpose of sharing of gains/losses, the Commission after prudence check, has considered actual secondary fuel oil consumption as 0.17 ml/kwh as submitted by petitioner.

Table-4

| S. No. | Particular | Unit | As submitted by the Petitioner | Normative value as considered by the Commission | Actual as considered by the Commission |
|--------|--------------------------------|--------|--------------------------------|---|--|
| 1 | Secondary Fuel Oil Consumption | ml/kwh | 0.17 | 0.50 | 0.17 |

13. Weighted Average Landed Price of Secondary Fuel

Petitioner's Submission

The petitioner has claimed actual weighted average landed price of secondary fuel of Rs. 85,706.07 /KL for the FY 2022-23.

Respondent's Submission

Respondents have made no submission in relation to weighted average landed price of secondary fuel.

Commission's View

The Commission has considered weighted average landed price of secondary fuel as Rs. 85,706.07 /KL for FY 2022-23 after prudence check.

Table-5

| S. No. | Particular | Unit | As submitted by the Petitioner | As considered by the Commission |
|--------|---|-------|--------------------------------|---------------------------------|
| 1 | Weighted average landed price of secondary fuel | Rs/ml | 0.09 | 0.09 |

14. Energy charge rate considering sharing of gains and losses:

Clause 11 of MYT Regulations, 2021 specifies controllable and uncontrollable factors as under:

"11.1. For the purpose of this Regulation, the term "uncontrollable factors" shall comprise of the following factors, but not limited to, which were beyond the control of the applicant, and could not be mitigated by the applicant:

- (a) Force Majeure events;***
- (b) Change in law,***
- (c) Judicial pronouncements,***
- (d) Fuel prices;***
- (e) Sales mix***
- (f) Quantum of Sales;***
- (g) Cost of power purchase;***
- (h) Cost on account of inflation;***
- (i) Human Resource (HR) Expenses;***
- (j) All Taxes, including Income Tax, cess and Statutory levies and***
- (k) Any other expenses as admitted by Commission.***

11.2. For the purpose of this Regulation, the term "Controllable factors" shall comprise of the following:

- (a) Capitalization on account of cost overrun in the implementation of a CIP not attributable to an approved change in scope of such project, change in statutory levies or circumstances beyond control of the generating company or the licensee, as the case may be.***
- (b) Generation performance parameters like PLF, SHR, Auxiliary consumption, PAF etc;***
- (c) Energy losses computed in accordance to Regulation 98;***
- (d) Maintenance & General (M&G) expenses;***
- (e) Failure to meet the standards specified in the Standards of Performance Regulations, except where exempted;***
- (f) Variation in Wires Availability and Supply Availability."***

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

Table-6

| S. No. | Particular | Unit | FY 2022-23 | | | |
|--------|---|-----------|-------------------------|---------|----------------------------|----------|
| | | | Petitioner's Submission | | Approved by the Commission | |
| | | | Normative | Actual | Normative | Actual |
| 1 | Aux | % | 5.25 | 5.55 | 5.25 | 5.55 |
| 2 | CVPF | kCal /kg | 3047.32 | 3047.32 | 3047.32 | 3,047.32 |
| 3 | CVSF | kCal /ml | 10.00 | 10.00 | 10.00 | 10.00 |
| 4 | GSHR | kCal /kWh | 2390 | 2380.61 | 2,390 | 2,362 |
| 5 | LPPF | Rs. /Kg | 3.723 | 3.699 | 3.061 | 3.699 |
| 6 | SFC | ml/kWh | 0.50 | 0.17 | 0.50 | 0.17 |
| 7 | LPSFI | Rs. / ml | 0.09 | 0.09 | 0.09 | 0.09 |
| 8 | ECR (Ex-Bus) | Rs. /kWh | 3.121 | 3.073 | 2.574 | 3.049 |
| 10 | ECR (after sharing of Gains and Losses) | Rs. / kWh | 3.089 | | 2.891 | |

15. Reimbursement of water charges, electricity duty on auxiliary consumption and electricity duty on sale of electricity

Petitioner's Submission

The petitioner submitted that Govt. of Chhattisgarh is levying electricity duty on auxiliary consumption, electricity duty on sale of electricity and water charges. The

PPA signed with respondent also prescribes that these charges shall be borne by the buyer i.e. CSPDCL.

Respondent's Submission

Respondent has submitted that the water charges being part of the fixed charges should not be allowed to the petitioner as the PPA with the petitioner is for procurement of 5% of net generated energy at variable cost.

Commission's View

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

16. Reimbursement of ash disposal expenses.

Petitioner's Submission

The petitioner has submitted that it is incurring expenditure towards ash disposal which is reimbursable based on the actual cost incurred in disposing the ash. Hence, it has requested the Commission to allow reimbursement of expenditure incurred for ash disposal.

Respondent's Submission

It is submitted that, as per CSERC MYT Regulations, 2021 expenses incurred towards Ash disposal is a part O&M expenses. As the petitioner is supplying 5% of net power generated at variable cost, expenses towards ash disposal is a part of O&M expenses, hence, is part of fixed cost. Therefore, petitioner is not entitled for reimbursement of expenses incurred towards ash disposal.

Commission's View

The Commission has considered the submissions of the parties. This issue has already been settled in order dated 01.01.2020 passed in petition 43 of 2017 wherein the Commission has disallowed the reimbursement of expenses incurred towards ash handling. Therefore, there is no need to reconsider the same, hence claim is denied.

17. Issue of reimbursement of petition filing fees

Petitioner's Submission

The petitioner has prayed for reimbursement of petition filing fee.

Commission's View

We have considered the claim of the petitioner for reimbursement of filling fee and allowed them to recover the petition filling fee in accordance with the clause no. 82 of the MYT regulations, 2021 which is as under;

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

In the light of the aforesaid provision, the petitioner is at liberty to recover the said amount from the beneficiary.

18. Issue of determination Energy Charge Rate for FY 2024-25

The Commission while approving power purchase cost of CSPDCL in para 8.5 of order dated 01.06.2024 passed in petition no. 09 of 2024, has ruled as under:

"Thus, the Commission after due prudence check has approved purchase of 2,351.96 MU of concessional power during FY 2022-23 at the cost of Rs. 675.64 Crore at an average rate of Rs. 2.87/kWh. It is pertinent to mention here that the Commission has determined tariff in respect of concessional power of majority of generators. It is,

therefore, clarified that for the generators whose tariff has been so determined, energy charges for FY 2024-25 shall be billed in accordance with the latest tariff determined by the Commission. For others whose tariff is yet to be determined by the Commission, the energy charges shall be billed at the rate of Rs. 1.60/kWh."

It is evident from above that petitioner who is supplying concessional power to the respondent is entitled to issue bills @ Rs.2.891/kWh for FY 2024-25 for supply of concessional power to CSPDCL. Petitioner may also recover other reimbursable expenses as per the provision of the applicable tariff regulation.

19. Summary of truing up of energy charge rate of FY 2022-23

- (i) Considering the gains and losses with respect to normative parameters, ex-bus energy (variable) charge rate for FY 2022-23 shall be Rs. 2.891/kWh against Rs. 3.089 /kWh.
- (ii) As regards to the petitioner's submission for reimbursement of water charges, electricity duty and cess, the Commission is of the view that in the light of specific provisions in the regulations in this regard, water charges, electricity duty and cess paid by the petitioner shall be pass through, therefore, petitioner is at liberty to recover the said amount from the beneficiary.
- (iii) Petitioner is allowed to recover carrying cost, if any, from the date of filing of the petition at the rate as approved by the Commission in the relevant tariff orders passed in petitions filed by State Power Companies and shall be computed in line with the computations done by the Commission while passing the tariff orders for State Power Companies. However, holding cost, if any, shall be payable from the date it became due at the rate as approved by the Commission in the relevant tariff orders passed in petitions filed by State Power Companies.

- (iv) As per the tariff order dated 01.06.2024 passed in petition no. 09 of 2024, petitioner is allowed to raise the bill for FY 2024-25 @ Rs. 2.891/kWh as approved in this order alongwith other reimbursable expenses as per the provision of the applicable tariff regulation.
- (v) During scrutiny, the Commission has observed that petitioner has supplied approximately 3.34% of net generated energy which is less than energy agreed under PPA i.e. 5% of net generated energy.

20. We order accordingly.

Sd/-
(Pramod Kumar Gupta)
Member

Sd/-
(Hemant Verma)
Chairperson

D B POWER LIMITED

CIN: U40109MP2006PLC019008

Corporate Off. : 3rd Floor, Naman Corporate Link , Opp. Dena Bank, C-31, G - Block , Bandra Kurla Complex, Bandra (E) Mumbai - 51
Tel No +91-22-7156 6000, Fax No +91-22-2659 0264 sandeep.gurav@dbpower.in

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF D B POWER LIMITED AT THEIR MEETING HELD ON MONDAY, 8TH MAY, 2023 VIA VIDEO CONFERENCING AND OTHER AUDIO VISUAL MEANS.

AUTHORITY TO REPRESENT THE COMPANY IN COURT MATTERS AND TO SIGN ALL PAPERS/ DOCUMENTS ON BEHALF OF THE COMPANY

"RESOLVED THAT in supersession of all earlier resolution passed by the Board of Directors of the Company in this behalf, Mr. Sumit Chakraborty, Mr. Vikas Adhia, Mr. M.L. Kumavat, Mr. Manu Namboothiri, Mr. Shailendra Bajpai and Mr. Ajay Kumar Kaithwash, Authorised Representatives of the company be and are hereby severally authorize to appoint Advocate and to sign all papers, applications, complaints, petitions, vakalatnama and all other documents etc., as well as affidavits as may be required to be filed before Central Electricity Regulatory Commission (CERC), High courts, Supreme Court or before any other Government authority, Tribunal, court of law and/or local authorities in connection with to initiate/defend necessary legal/arbitration proceedings and/or any legal proceedings by or against the company and to represent the company in all other matters incidental thereto as may be considered necessary and expedient."

//Certified true Copy//

For **D B POWER LIMITED**

S.V. Gurav



SANDEEP GURAV
COMPANY SECRETARY
MEM No. A17830
C-9/6, ARUNODAYA CHS,
SECTOR 12, KHARGHAR,
NAVI MUMBAI - 410210

DATE: 25th October, 2023
PLACE: MUMBAI