Chhattisgarh State Electricity Regulatory Commission
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. 51 of 2025

In the Matter of:

"Clarification regarding applicability of Wheeling and DSM Charges."

1. State Load Despatch Centre,
   Chhattisgarh State Power Transmission Co. Ltd.
   Vidhyut Seva Bhawan, Danganiya, Raipur (C.G.)

2. Chhattisgarh State Power Transmission Co. Ltd.
   Vidhyut Seva Bhawan, Danganiya, Raipur (C.G.)

3. Chhattisgarh State Power Distribution Co. Ltd.
   Vidhyut Seva Bhawan, Danganiya, Raipur (C.G.) … Respondents

PRESENT : **Vivek Ganodwale, Member (Law)**

Ajay Kumar Singh, Member (Technical)

Appearance : Shri Sourabh Jain, Counsel along with Shri Abhishek Jain, for Respondent SLDC.

Shri V.G. Ekka, SE for Respondent CSPTCL.

ORDER

(December 23,2025)

State Load Despatch Centre (SLDC) vide letter No. 03-02/SLDC/DSM/OAC/2/692 dated 26.06.2025 has desired clarification on the

matter related to interpretation of Table-5 in Clause 33(15) of the CSERC (Connectivity and Intra-State Open Access) Regulations, 2011 (CSERC OA Regulations). This provision in CSERC OA Regulations is related to applicability of transmission and wheeling charges levied on open access consumers based on injection and drawal points connected to the grid. They have referred following two cases:

i. **M/s Gravity** (injecting entity Gravity Iron & Power Pvt. Ltd. and drawee entity Gravity Ferrous Pvt. Ltd.)

   Injecting entity is connected through 33 KV dedicated feeder emanating from 132 KV Tulsi substation (EHV substation) and drawal entity is connected through 33 KV Saurabh feeder emanating from 132/33 KV Hira Pooling substation.

   Clarification is required, whether, wheeling charges and distribution losses are also applicable in this particular case?

   Further, it is submitted that as per para 10.6, 10.7 and 10.8 of CSERC DSM Regulations, DSM charges are being calculated for MSC, considering total scheduled drawal in each time block and sum of the contract demand with CSPDCL (considering power factor 0.90) and implemented schedule drawal through open access. This leads to huge DSM charges receivable per month by M/s Gravity Ferrous on account of continuous under drawal all the time from its schedule drawal.

ii. **M/s Vaswani Industries Ltd.** (a 10 MW solar power generator, achieved COD on 03.12.2024)

   Injecting entity is connected at 33 KV Phase-IV pooling substation, which is further connected to 132/33 KV Gandai substation.

   Clarification is required, whether, wheeling charges and distribution losses are also applicable in this particular case as wheeling charges are

applicable for IDRES plants as per provisions specified in para 21.2 of CSERC DRE Regulations, 2023?

2. The Commission took cognizance of the matter and initiated suo-motu petition No 51 of 2025 and impleaded SLDC, CSPTCL and CSPDCL as parties to this petition. Hearing on this matter held on 26.09.2025.

Analysis & Decision

Heard the parties and perused the records.

3. Based on the submissions, three issues emerge for considerations and further clarification by the Commission. These three issues are: -

i. **Issue I:** Applicability of wheeling charges and distribution losses on Intra-State transactions, if both injecting entity and drawing entity are connected to distribution network but there is involvement of State transmission network.

ii. **Issue II:** Applicability of wheeling charges and distribution losses to the solar generator (achieved COD after 27.12.2023) connected to 33 KV pooling S/s and having short term inter-State open access as per provisions specified in para 21.2 of CSERC DRE Regulations, 2023.

iii. **Issue III:** Interpretation of DSM Charges and Billing of MSC under CSERC DSM Regulations.

4. Analysis and decision

Issue I:

This issue is related to interpretation of Table-5 in Clause 33(15) of the CSERC OA Regulations, which is very well illustrated. Relevant portion of Table-5 of the regulations is reproduced below;

"XXXXXXXXXXXX

Table-5				
Applicable Charges and energy Losses				
S. No.	*Inter-se location of drawal and injection point*	*Injection Point*	*Drawal point*	*Applicable Charges*
7	*Both within the same Distribution licensee but there is involvement of state transmission network*	*33 Kv side of EHV S/s or 33/11 KV S/s*	*33 KV*	*1. Transmission Charges of STU. 2. Transmission loss of STU 3. Wheeling Charges of distribution licensee. 4.Distribution loss of distribution licensee*

XXXXXXXXXXX"

In the instant case, injecting entity is connected to 33 KV side of EHV S/s i.e., 132 KV S/s Tulsi through 33 KV feeder which is located at Tilda, Raipur and drawing entity is connected through 33 KV feeder emanating from 132/33 KV Hira Pooling S/s which is located at Sector-A, Urla, Raipur. It is obvious that there is involvement of State-transmission system for power flow in this case. As specified in Sr. 7 in the above Table, both drawl and injection point is within the same Distribution licensee and there is involvement of State transmission network, wheeling charges and distribution loss will also be applicable apart from transmission charges and transmission losses.

Issue II:

This issue is again related to interpretation of Table-5 in Clause 33(15) of the CSERC OA Regulations, which is related to inter-State OA. Relevant portion of Table-5 of the regulations is reproduced below;

"XXXXXXXXXX

Table-5				
Applicable Charges and energy Losses				
S. No.	*Inter-se location of drawal and injection point*	*Injection Point*	*Drawal point*	*Applicable Charges*
9.	*In different State (Inter State open access)*	*As applicable*	*Out of State*	*1.Applicable charges as per type of transaction mentioned above* *2.The transmission charges and/or wheeling charges and energy losses of CTU and STU/licensees of the other State*

XXXXXXXXXXX"

In this case, the solar generator is availing inter-State OA. The generator is connected to 33 KV pooling S/s which is further connected to 132/33 KV Gandai S/s and the plant has achieved CoD after 27.12.2023. Respondent SLDC submitted that injection is on the 33 KV bus of the 132/33 KV Gandai S/s. The drawing entity is outside the State as transction is inter-State. The scheduling at regional periphery shall be done after deducting the distribution and transmission losses as specified in the relevant Tariff Order. Transmission charges and wheeling charges as specified in Tariff Order shall also be applicable.

Issue III:

This issue concerns the correct methodology for calculating DSM charges and the corresponding billing of fixed charges and energy charges for a MSC who draws power partly from the distribution licensee and partly through open access OA.

To address this issue, the relevant provisions of the CSERC DSM Regulations are reproduced below: (emphasis added)

"4. The tariff under the ABT regime will have three components namely the capacity charge, the energy charce and the Deviation Settlement charge.

(a) ***Fixed charges/capacity charges:*** *capacity charges of the generators are payable on the capacity allocated and are linked to 'Availability' of the generating stations declared on daily basis in MW*

(b) ***Energy charges/variable charges:*** *Energy charges or variable charges are payable on the scheduled energy irrespective of actual drawal.*

Computation of capacity charges and energy charges shall be governed by Regulations 4l and 42 of 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 or its subsequent amendments or enactments.

(c) ***Deviation Charges:*** *Variation between actual generation and scheduled generation or actual drawal and scheduled drawal shall be accounted for through Deviation Settlement Charges and are dependent on the average frequency prevailing at that time_block.*

XXXXXXXXXXXX

Settlement of energy at drawal point in respect of a MSC

10.5. Such a consumer shall have supply agreement with the licensee (either for standby support or for meeting part requirement of his total requirement as may be chosen by the consumer) as also with the "Sellers" for availing power through open access.

10.6. The total scheduled drawal at drawal point shall be computed for each time block considering contract demand (in MVA) with licensee (considering power factor 0.90) and injection schedule for the consumer through Open-Access at the injection point by considering the losses of the State-grid (intra-state transmission system and / or distribution system, as applicable).

10.7. If the total actual drawal exceeds total scheduled drawal (scheduled drawal for the consumer at drawal point for power purchase through open access+ contract demand with licensee), the consumer shall be liable to pay Deviation charges corresponding to average frequency of that time block.

10.8. If the total actual drawal is less than total scheduled drawal (scheduled drawal for the consumer at drawal point for power purchase through open access+ contract demand with licensee), the consumer shall receive the Deviation charges corresponding to average frequency of that time block.

Provided that DSM charges receivable shall be capped as per the APPC of CSPDCL approved by the Commission from time to time.

10.9. For levy of demand charges by distribution licensee; the actual power drawn shall be first set off with contract demand of with distribution licensee and the

drawal in excess of contracted demand with distribution licensee will be considered to be supplied through Open Access.

10.10. Energy charges shall be levied by distribution licensee as per tariff on total energy consumed in the time block minus energy consumed towards open access schedule, subject to max of contract demand at 0.9 pf.

XXXXXXXXXXXXX"

To give effect to provisions of Regulations, one must comprehensively examine the structure, words and intent of the CSERC DSM Regulations, particularly the provisions governing scheduled Vs actual drawal, deviation charges and billing principles under ABT. At the outset, the Commission notes that the DSM is founded on the core principle that deviation charges are attracted only on account of variation between
(a) actual and scheduled injection of power, and
(b) actual and scheduled drawal of power.

The scheme of the Regulations clearly distinguishes between "scheduled energy" and "actual energy", and the liability towards deviation charges arises solely with reference to such variation.

A. Regarding the levy of demand charges, the existing regulations 10.9 provides that the actual power drawn by a consumer is first to be set off against the contract demand with the distribution licensee. Only the drawal in excess of the contracted demand is treated as supply through Open Access. Thus, the sequence specified by the regulations establishes a clear hierarchy between contract demand with the distribution Licensee and the open access component.
B. Clause 4(b) of DSM Regulations explicitly specifies that the energy charges or variable charges payable by a consumer are to be computed on the basis of the scheduled energy, irrespective of the actual quantum of drawal. The Commission observes that once the regulations mandates

that the billing determinant for energy charges is the scheduled quantum, the same cannot be substituted by actual consumption.

C. A harmonious and conjoint reading of Clause 4(b) and Clause 10.10 of the DSM Regulations indicates that the energy charges payable by a MSC for the power supplied by the distribution licensee shall be based on the scheduled energy computed in accordance with Clause 10.6 after adjusting the energy corresponding to the open access schedule. Consequently, the scheduled drawal attributable to the licensee's retail supply forms the basis of billing for energy charges. Alternatively, it can be said that the formula emerging from the DSM framework is that the distribution licensee must bill the MSC for energy charges on the quantum derived against the contracted/sanctioned load at 100% load factor, being the maximum permissible scheduled energy pertaining to the retail supply component. This interpretation ensures consistency between the DSM Regulations and the retail tariff structure.

D. The principle of statutory interpretation requires that the intent of the Regulation-making authority must be gathered from the words expressly used. The normal rule of interpretation is that the words used by the legislature are generally a safeguard to its intention. Lord Reid in Westminster Bank Ltd. v. Zang(3) observed that *"no principle of interpretation of statutes is more firmly settled than the rule that the Court must deduce the intention of Parliament from the words used in the Act."* Applying this principle, the Commission finds that the DSM mechanism—having clearly stipulated scheduled energy as the billing determinant—necessarily excludes the use of actual consumption for the purpose of computing energy charges.

E. The Commission, therefore, holds that there is no basis in the regulations to levy fixed/demand charges on the basis of actual or "billing" demand or to levy energy charges on actual energy consumption when deviation

charges are simultaneously being applied. To do so would amount to mixing two distinct methodologies, and would render the DSM framework internally inconsistent.

F. In view of the above, the Commission concludes that under the DSM regime,
    - fixed/demand charges are to be billed strictly on the sanctioned/contracted load, and
    - energy charges are to be billed on the scheduled energy attributable to the Distribution Licensee's supply component, as computed in accordance with the DSM Regulations.

G. This interpretation ensures harmony among various provisions specified in the DSM Regulations, and the established principles of statutory construction, and preserves the internal coherence of the regulatory framework.

Illustration:

Let's assume a case of MSC with following details various scenario of under drawal, over drawal and scheduled drawal situations.

- Contract demand from the distribution licensee = 10 MW (after applying necessary conversions to the contract demand of 11.11 MVA)
- Scheduled energy supplied by the licensee at 100% load Factor in a month = 72,00,000 kWh
- Scheduled energy supplied by the licensee at 100% load Factor in time block = 2500 kWh
- Scheduled open access quantum = 5 MW from any seller
- Scheduled OA energy in a time block = 1250 kWh

- Total scheduled energy in a time block = 3750 kWh (2500 kWh + 1250 kWh)
- The licensee shall bill to the OA consumer for retail supply
    - For a month, contract demand for 11.11 MVA at the rate of demand charges (in Rs per KVA) specified in relevant tariff order.
    - For a month, energy charges for 72,00,000 kWh or equivalent KVAh at the rate of applicable energy charges (in Rs per KVAh) specified in relevant tariff order
- In addition to billing against retail supply, any deviation from the schedule quantum shall be settled as follows;

Scenario	**Actual energy drawal in time block, kWh**	**Quantum for deviation charges in time block, kWh**	**Deviation settlement - receivable from the licensee/payable to the licensee**
Case-I: Under drawal	3250	500 (3250 -2500 -1250)	Receivable from the licensee. The rate for this energy will be rate corresponding to average frequency in that time block. However, same shall be capped at APPC of CSPDCL as approved by the Commission.
Case-II: Under drawal	2000	1750 (2000-2500-1250)	Receivable from the licensee. The rate for this energy will be rate corresponding to average frequency in that time block. However, same shall be

Scenario	Actual energy drawal in time block, kWh	Quantum for deviation charges in time block, kWh	Deviation settlement - receivable from the licensee/payable to the licensee
			capped at APPC of CSPDCL as approved by the Commission.
Case-III: Over drawal	4250	500 (4250-2500-1250)	The consumer shall pay deviation charges corresponding to 500 kWh. The rate for this energy will be rate corresponding to average frequency in that time block.
Case-IV: Scheduled drawal	3750	0 (3750-2500-1250)	Nil

We issue clarification order accordingly.

Sd/-
(Ajay Kumar Singh)
Member (Tech.)

Sd/-
(Vivek Ganodwale)
Member (Law)