

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION**  
**SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH**

**Review Petition No. 01 of 2024**  
**in Petition No. 63 of 2023**  
**Date of Order: 28.11.2024**

Petition Under Section 94(1) (f) of the Electricity Act, 2003 read with Order 47 Rule 1 of the code of civil procedure, 1908 and read with regulation 64 of the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 for review of the order dated 14.06.2024 passed in petition no. 63 of 2023

**And**

In the matter of: Punjab State Transmission Corporation Limited, The Mall, Patiala-147001

...Petitioner

**Commission:** Sh. Viswajeet Khanna, Chairperson  
Sh. Paramjeet Singh, Member

**PSTCL:** Sh. Vikas Singla, CAO/F&A  
Er. Uttam Kumar Bansal, ASE  
Ms. Kritika Sharma, AO/ARR

**ORDER**

1. Punjab State Transmission Corporation Limited (PSTCL) has filed the present petition seeking review of the Tariff Order dated 14.06.2024 passed by the Commission in Petition No. 63 of 2023. The Review petition was admitted vide Order dated 17.09.2024 and PSTCL was directed to furnish further information as mentioned in the order. PSTCL was directed to publish a public notice inviting suggestions/objections from the Public/Stake holders. The Public notice was published on 20.09.2024 in Punjabi Tribune (Punjabi), Punjabi Jagran (Punjabi), Times of India (English), Hindustan Times (English), and Punjab Kesri (Hindi). PSTCL submitted further information vide memo no. 765 dated

30.09.2024. The petition was taken up for hearing as well as public hearing on 06.11.2024. Nobody appeared from the public in the public hearing and after hearing the representative appearing for PSTCL, order was reserved.

### **Observations and Decision of the Commission**

2. The Commission has examined the review petition, submissions made during the hearing and documents adduced on the record. The issue wise summary of submissions made by PSTCL for review, objections/comments received, PSTCL's reply thereto and the Commission's analysis are discussed in the following paragraphs:

#### **Disallowance of Loans/Capital Expenditure:-**

##### **PSTCL's Submissions:**

- 2.1 PSTCL submitted that this Commission has disallowed the Capital Expenditure amounting to Rs. 1.39 Crore incurred by PSTCL during the 2nd Control Period, which had not been approved by the Commission in the CIP Plan.
- 2.2 PSTCL further submitted that, out of the Rs. 1.39 Crore, an amount of Rs. 1.01Crore was spent on contributory Works and Rs. 0.38Crore on other capital works. Correspondingly, the amounts of Rs. 0.38 Crore and Rs.0.62 Crore had also been capitalized in the GFA for Contributory works and other works respectively.
- 2.3 PSTCL submitted that these expenditures were approved by the management of PSTCL, however, the approval of this Commission was not taken at the relevant time as these expenses were minor but urgent in nature. Therefore, it was decided to take the approval of this Commission in Petition No. 63 of 2023. It is submitted that

these expenses were incurred on construction of footpath along with drainage system, staircase etc. to ensure smooth functioning of substations and ought to be allowed by this Commission as the same is a legitimate expenditure. Approval from the Board of Directors of PSTCL in regard to the above works has also been taken.

- 2.4 PSTCL requested the Commission to consider the Contributory works having an expenditure of Rs. 1.01 Crore and Capitalization of Rs. 0.38 Crore in the list of Contributory works of PSTCL. So that its capitalization may be considered in the GFA addition for calculation of O&M expenses, which has not been considered by the Commission in Table no. 3.29 of Tariff Order for FY 2024-25.
- 2.5 In reply to the query raised by the Commission regarding details / approval of contributory works amounting to Rs. 1.01 Crore, PSTCL has submitted that while submitting the petition No. 63/2023, it has been noted that some Contributory works which have a Capex of Rs. 1.01 Crore and capitalization of Rs. 0.38 Crore, were inadvertently categorized as “other works” in the financial accounts of PSTCL for FY 2022-23. PSTCL had correctly classified these works as “Contributory Works” while submitting the list of other works. These works were disallowed by the Commission from the list of other works in the order dated 14.06.2024.
- 2.6 As the works disallowed by the Commission were not other works but contributory works, PSTCL has requested that these works should be included in the list of Contributory works and consequently in the Gross Fixed Assets (GFA) for calculation of R&M expenses.

**Commission's analysis:**

- 2.7 Earlier, the Commission had disallowed the works of Rs. 1.39 Crore as PSTCL did not get these works approved during 2<sup>nd</sup>MYT control period from the Commission but started their execution on its own. PSTCL has now clarified that it had inadvertently included the contributory work worth Rs. 1.01 Crore in other works and has now sought capital investment against these contributory works. Keeping in view the clarification provided by PSTCL, the contributory works worth Rs. 1.01 Crore are approved to be included in the list of contributory works and consequently in the gross fixed assets (GFA) for calculation of R&M expenses as and when they are capitalised. In the FY 2022-23 capitalisation of Rs.0.38 Crore is allowed. The remaining Rs 0.63 Crores will be allowed when capitalised.
- 2.8 The Commission now considers addition of Rs. 0.38 Crores in the GFA for FY 2022-23. The revised calculation of O&M (R&M) expenses is as under:

**Table No 1: Revised R&M expenses of Transmission Business determined by the Commission for FY 2022-23 (Rs. Crore)**

Sr. No.	Particulars	As allowed by the Commission in order dated 14.06.2024	Now allowed
1.	Opening GFA for the purpose of R&M expenses	10655.16	10655.16
2.	Addition during the year	259.53	259.91
3.	(-) Retirement of assets	19.71	19.71
4.	Closing GFA for the purpose of R&M expenses	<b>10894.98</b>	10895.36
5.	Average GFA for the purpose of R&M expenses	<b>10775.07</b>	10775.26
6.	K factor (as determined in true-up of FY 2020-21 for	0.303%	0.303%

Sr. No.	Particulars	As allowed by the Commission in order dated 14.06.2024	Now allowed
	transmission.		
7.	Escalation Factor ( <i>Increase in WPI Index</i> )	1.09409	1.09409
8.	<b>R&amp;M Expenses</b>	<b>35.72</b>	<b>35.72</b>

2.9 As per table above, there is no change indicated till the second decimal position in R&M Expenses allowed by the Commission in true up of FY 2022-23 in spite of the additional capitalisation of Rs. 0.38 Crores. Therefore, R&M expenses of Rs. 35.72 Crore for Transmission Business for FY 2022-23 are in order.

2.10 Regarding other miscellaneous works worth Rs. 0.38 Crore, the Board of Directors of PSTCL have not approved the works as of emergent nature and hence these are not covered under Regulation 9.14 of PSERC MYT Regulation 2019. Accordingly, the Commission disallows the prayer of PSTCL to approve the capital expenditure of Rs. 0.38 Crore under other works.

### 3. Capitalization of Interest for FY 2020-21 to FY 2022-23:- PSTCL's Submissions:

3.1 PSTCL submitted that in the True up Petition of ARR of FY 2020-21 & FY 2021-22, and FY 2022-23, it has claimed the provisional Interest Capitalization based on information of CAPEX on Spillover works and New Works available at that time. This Commission in the order dated 31.03.2022 and the order dated 15.05.2023 had allowed the CAPEX at Para 2.4.10 (Table 10), 2.4.11 (Table 9) and 3.4.9 (Table 3.9) respectively and based thereon, Interest Capitalization as claimed by PSTCL on provisional basis at Para 2.9.6, 2.9.5 and 3.9.21 respectively.

- 3.2 PSTCL further submitted that in petition no. 63/2023, it has submitted the actual CAPEX and based thereon, the revised values of Interest Capitalization based on actual CAPEX on spillover works and new works after True up of CAPEX of 2<sup>nd</sup> Control Period i.e., from FY 2020-21 to FY 2022-23. In the order dated 14.06.2024, this Commission has considered and allowed the actual CAPEX at Table 2.6, but, has not allowed the interest capitalization on the basis of actual CAPEX approved.
- 3.3 PSTCL stated that this Commission has inadvertently allowed the Interest Capitalization on the basis of information of CAPEX on Spillover works and New Works as approved earlier in True up of ARR of respective years instead of revised values of Interest Capitalization claimed by it on the basis of actual CAPEX.
- 3.4 The details of Interest Capitalization claimed and approved by the Commission in the order dated 14.06.2024 is as under:-

**Table No. 2: Revised Interest Capitalization with actual CAPEX****(Rs. Crore)**

Sr No.	Particulars	2020-21	2021-22	2022-23
1	Interest Capitalization claimed by PSTCL on the basis of Actual Final CAPEX	9.77	5.24	5.46
2	Interest Capitalized approved by the Commission in Tariff Order dated 14.06.2024	12.06	5.55	7.03
3	Excess Capitalization considered by the Commission	2.29	0.31	1.57

- 3.5 PSTCL further stated that the above consideration of Interest Capitalization in the order dated 14.06.2024 based on the provisional CAPEX as approved in the orders dated 31.03.2022 and 15.05.2023 has resulted in excess consideration of Interest

Capitalization by the Commission which has consequently reduced the claim of Interest Charges and other related components of PSTCL i.e. Interest on working Capital and Carrying Cost etc. PSTCL further submitted that once the capex has been considered in the order dated 14.06.2024, the consequential effect on other elements could be only given in reference to such CAPEX and not provisional CAPEX as approved in the orders dated 31.03.2022 and 15.05.2023 based on the information available with it at the relevant time. Further, for FY 2022-23, interest capitalization has not been rightly considered based on the actual CAPEX approved by the Commission in the order dated 14.06.2024.

- 3.6 PSTCL further stated that in relation to the other tariff elements, this Commission has rightly considered the CAPEX as approved in the order dated 14.06.2024 and not the previous orders. Therefore, the same treatment ought to have been given for the interest capitalisation also. The Impact of Carrying cost on account of the above is as under:-

**Table No. 3: Cumulative impact of True up of CAPEX on ARR with Carrying Cost submitted by PSTCL**

(Rs. Crore)

Sr. No.	Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
1	Opening Balance of Impact	0.00	2.40	2.91	4.78	5.16	5.58
2	Addition during the year	2.29	0.31	1.57	0.00	0.00	0.00
3	Closing Balance of Impact	2.29	2.71	4.48	4.78	5.16	5.58
4	Average Balance	1.15	2.56	3.70	4.78	5.16	5.58
5	Rate of IWC	9.65%	7.99%	8.01%	8.01%	8.01%	8.01%
6	Carrying Cost	0.11	0.20	0.30	0.38	0.41	0.22
7	Cumulative Impact	2.40	2.91	4.78	5.16	5.58	5.80

*NOTE: The carrying cost has been considered for the full year of FY 2024-25 and six months for FY 2025-26 presuming the gap will be allowed in FY 2025-26.*

3.7 To query raised by the Commission in its interim order dated 17.09.2024 regarding details of interest capitalised of allowed schemes during the 2<sup>nd</sup> Control period, PSTCL replied vide memo no 765 dated 30.09.2024 that it had filed the Actual CAPEX for the 2<sup>nd</sup> Control Period i.e., from FY 2020-21 to FY 2022-23 and this Commission considered and allowed the actual CAPEX as submitted by PSTCL, except for a few works. These disallowed works were related to new schemes only. The Commission had fully allowed the CAPEX on spillover works of PSTCL on which interest capitalization was calculated for computing the Interest charges. The list of Capex for spill over works is annexed with the reply.

Details of Revised Interest Capitalization based on actual Capital Expenditure on Spill Over works claimed and approved is as under:-

**Table No. 4: Revised Interest Capitalization based on actual Capital Expenditure submitted by PSTCL**

(Rs.Crore)

Sr No.	Particulars	2020-21	2021-22	2022-23
1	Total interest Capitalized (as per Accounts)	12.73	11.70	19.17
2	Total CAPEX (other than PSDF and Contributory works including directly added assets)	128.42	315.73	382.58
3	CAPEX on Spill Over	98.56	141.33	109.06
4	Capitalization claimed in proportion (1/2*3)	9.77	5.24	5.46
5	Intt. Capitalization considered by the Commission based on provisional CAPEX	12.06	5.55	7.03
6	Excess Considered by the Commission	2.29	0.31	1.57

3.8 PSTCL submitted that in view of the above there exists an error

apparent on the face of the record and even otherwise, there exists sufficient reasons to review and modify the order dated 14.06.2024 to consider the Capitalization of Interest as per final CAPEX as approved in the order dated 14.06.2024 and approve the additional Interest expenses over and above those already approved amounting to Rs. 2.29 Crore, Rs. 0.31 Crore and Rs. 1.57 Crore for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. Further, PSTCL requested the Commission to approve the consequential Carrying cost amounting to Rs. 1.63 Crore (0.11 + 0.20 + 0.30 + 0.38 + 0.41 + 0.22)) on the above interest expense.

**Commission's Analysis:**

- 3.9 PSTCL had supplied the Scheme wise CAPEX for the 2<sup>nd</sup> Control period several times during the course of tariff formulation for FY 2024-25 when Capex for the 2<sup>nd</sup> control period was being finalised but no information was provided for the revised interest capitalised. Therefore, the Commission had approved the interest by taking the interest capitalised on the basis of figures approved for true up of FY 2020-21 and FY 2021-22 .
- 3.10 The Commission considers PSTCL's new submission of interest capitalised in this review petition and allows interest capitalised amounting to Rs 9.77 Crores, Rs 5.24 Crores and Rs 5.46 Crores for FY 2020-21, FY 2021-22 and FY 2022-23 respectively as claimed.
- 3.11 The Commission allows carrying cost in accordance with Regulation 12.6 of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2019. The Commission determines additional interest and carrying cost as under:

**Table No 5: Revised Interest and Finance Charges (Rs.Crore)**

Sr. No	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	Total
1	Interest allowed in order dated 14.06.2024	344.11	295.70	268.90	908.71
2	Interest Capitalisation included in Sr no 1	12.06	5.55	7.03	24.64
3	Interest without interest capitalised(1+2)	356.17	301.25	275.93	933.35
4	Interest Capitalisation now claimed by PSTCL	9.77	5.24	5.46	20.47
5	Interest now allowed(3-4)	346.40	296.01	270.47	912.88
6	<b>Additional interest allowable(5-1)</b>	<b>2.29</b>	<b>0.31</b>	<b>1.57</b>	<b>4.17</b>

**Table No. 6: Carrying cost on additional interest and Finance Charges.****(Rs.Crore)**

Sr. No	Particulars	Rate of Interest	Period	Carrying cost on Rs 2.29 Cr (FY 2020-21)	Period	Carrying cost on Rs. 0.31 Cr (FY 2021-22)	Period	Carrying cost on Rs 1.57 Cr (FY 2022-23)
1	FY 2020-21	9.65%	6 months	0.110				
2	FY 2021-22	7.99%	1 year	0.183	6 months	0.012		
3	FY 2022-23	8.01%	1 year	0.184	1 year	0.025	6 months	0.063
4	FY 2023-24	8.01%	1 year	0.184	1 year	0.025	1 year	0.126
5	FY 2024-25	8.01%	1 year	0.184	1 year	0.025	1 year	0.126
6	FY 2025-26	8.01%	6 months	0.092	6 months	0.012	6 months	0.063
7	<b>Carrying cost</b>			<b>0.93</b>		<b>0.10</b>		<b>0.38</b>
8	<b>Cumulative Carrying cost</b>							<b>1.41</b>

3.12 Impact of the interest and carrying cost will be given in the subsequent tariff order.

#### 4. A & G Expenses:

##### PSTCL's Submissions:

4.1. PSTCL submitted that there is a disallowance of Rs. 0.68 Crore of A & G expenses on asset addition in True up for FY 2022-23. PSTCL has claimed A & G expenses on asset addition during the year along with the Indexed A & G expenses approved by the Commission for FY 2021-22. However, the Commission has disallowed the A & G expenses on asset addition during the year citing the reason that no formula has been prescribed in MYT Regulations for adding A&G expenses on account of assets additions for the relevant year with respect to GFA. The Commission is requested to consider the additional A&G on newly added assets as per Note 10 under Regulation 26.1 of PSERC MYT Regulations 2019, which is reiterated as under :-

“ ....

**Note 10:** *O&M expenses for gross fixed assets added during the year, if not accounted already, shall be considered from the date of commissioning on pro-rata basis.*

....”

4.2. PSTCL further submitted that, it had to incur additional operating expenses i.e., electricity charges, conveyance charges etc. to ensure smooth functioning of new sub-stations/ offices/ Transmission Lines. Disallowing the same is detrimental to the operations of PSTCL.

4.3. PSTCL further submitted that on the newly added substations only the amount of electricity charge is Rs. 21.50 Lakhs besides the cost of other assets added during the year. Moreover, expenditure incurred on conveyance had also increased due to the length of

Transmission Lines and newly added/ augmented substations. Hence, the Commission is requested to allow A&G Expenses of Rs. 0.68 Crore on the newly added assets during the year as per the above cited NOTE-10 under Regulations 26.1 of PSERC MYT Regulations 2019.

**Commission's analysis:**

- 4.4. As per Regulations the Commission allowed normative A&G expenses to PSTCL and correctly stated that there is no formula prescribed in the regulations for adding A&G expenses on account of asset addition for the relevant year with respect to GFA.
- 4.5. PSTCL has filed Appeal No. 631 of 2023 in APTEL against the PSERC's order dated 15.05.2023 in Petition no 73 of 2022 on a similar issue which is under adjudication.
- 4.6. Thus, no new record or evidence has been produced (which was not within the knowledge of PSTCL at the time when the data was furnished by PSTCL and the order was passed by the Commission) nor is there any mistake or error apparent on the record at present to justify any review. As such the prayer for review of the earlier Order on this issue is not sustainable and hence it is denied.

**5. Transmission loss**

**PSTCL's Submissions:**

- 5.1 The Commission has revised the Transmission Loss trajectory for FY 2023-24 to FY 2025-26 in the Order dated 14.06.2024 as 2.25% for FY 2023-24, 2.23% for FY 2024-25 and 2.21% for 2025-26 as against the Transmission Loss trajectory approved in the order dated 21.12.2022 as 2.42% for FY 2023-24, 2.40% for FY 2024-25 and 2.38% for 2025-26.

5.2 The revision of transmission loss trajectory is based on the information shared by PSTCL on transmission losses of FY 2023-24 which were within the range of 2.24%. The revision of transmission trajectory during the control period is detrimental to the interests of PSTCL. The change of trajectory within the control period leads to regulatory uncertainty specifically when FY 2023-24 is already over and half of FY 2024-25 is also over. PSTCL has submitted that instead of being rewarded and incentivized for efficient operations, it has been restricted to stricter norms of transmissions trajectory which will not be feasible to achieve for the following reasons:

- (a) PSTCL's monthly Transmission losses varies from 2.03% to 2.896% in FY 2022-23 and varies from 2.03% to 2.50% in FY 2023-24. Further transmission losses depend upon conditions of transmission element w.r.t weather pattern and thereby losses vary each year depending upon the demand and supply of Punjab.
- (b) Apart from the above, additional transmission elements i.e., transmission lines/transformers/synchronous condenser or other elements will be added in the coming years thereby increasing the installed MVA capacity of PSTCL system which may add to transmission losses during the lean period. The direction of power flow in PSTCL's system along with outage element/loaded element/lightly loaded transmission elements of future years cannot be ascertained at present so there can be some deviations in PSTCL's transmission losses.
- (c) The Transmission loss depends on numerous factors such as pocket wise generation-demand mismatch, loop power

flow through elements at various voltage levels, type of load, seasonal demand variation, prolonged agriculture power supply, reactive power requirement due to inductive load (Agriculture pump sets), ambient temperature, renewables, loss of generation/ non-availability of generation in load centers due to merit order etc. Additional inter-state/Inter-regional power flow through PSTCL network increases current flow and higher I<sup>2</sup>R losses in the state network.

5.3 The loss trajectory of other states fixed by respective SERCs is as follows-

**Table No 7: Loss Trajectory of other states fixed by respective SERC's (Figures in %)**

Sr. No	States	Calculated		Trajectory	
		FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24
1	Karnataka	2.977	-	2.928 – 3.028	-
2	Assam	3.32	3.3	3.27	3.25
3	Gujarat	3.84	-	-	-
4	Bihar	2.57	-	3	3
5	Orissa	3.15	-	3	3
6	Maharashtra	3.18	-	3.18	3.18
7	Rajasthan	-	4.5	-	4.5
8	Telangana	-	-	2.5	2.5
9	Andhra Pradesh	-	3.75	-	3
10	Tripura	3	3	-	3
11	Uttar Pradesh	3.3	-	3.27	-
12	PGCIL	3.0 – 4.26	2.98 – 4.24	-	-

PSTCL has requested the Commission to review its trajectory for FY 2023-24 to FY 2025-26 on the submissions made in the above paragraphs. Without prejudice to the above, the Commission ought not to have at least retrospectively revised the trajectory for FY 2023-24 once FY 2023-24 was over.

**Commission's Analysis:**

5.4 The Commission notes that the transmission loss target and actual achieved by PSTCL during 1<sup>st</sup> and 2<sup>nd</sup> MYT Control period are as under:

**Table No 8: Transmission loss target and actual achieved by PSTCL during 1<sup>st</sup> and 2<sup>nd</sup> MYT Control period (Figures in %)**

Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Target	2.50	2.50	2.50
Actual	3.12	2.86	2.69
	FY 2020-21	FY 2021-22	FY 2022-23
Target	2.48	2.46	2.44
Actual	2.50	2.31	2.27

5.5 In tariff Order for FY 2023-24, the Commission had decided as under:

*“In the Business Plan Order including the Capital Investment Plan Order dated 21<sup>st</sup> December 2022, the Commission has approved the Transmission loss trajectory with reduction of 0.02% every year for the 3rd Control Period from the approved losses for FY 2022-23. Transmission losses for the Control Period shall be specified accordingly on the basis of the actual transmission losses for FY 2022-23 but will not be considered if found higher than the approved trajectory.”*

5.6 Thus, the Commission has clearly specified that the transmission loss trajectory shall be set up on basis of actual achievement of transmission losses during FY 2022-23. PSTCL has done well to achieve a transmission loss trajectory of 2.27% during FY 2022-23 and 2.24% during 2023-24. Accordingly, the Commission has set

the transmission loss trajectory of 3<sup>rd</sup> MYT control period with reduction of only 0.02% each year as under:

**Table No 9: Transmission loss trajectory of 3<sup>rd</sup> MYT control period set by the Commission (Figures in %)**

Particulars	FY 2023-24	FY 2024-25	FY 2026-27
Target	2.25	2.23	2.21

- 5.7 PSTCL has submitted that the infrastructure in its transmission system is increasing so higher transmission losses may be allowed but the transmission losses of PSTCL had decreased by around 9% from FY 2020-21 to FY 2022-23, which is appreciable. However, productivity and efficiency must constantly be strived for. The Commission is consistently providing Capital Investment to PSTCL for setting up of 400kV EHT substations with that in mind. 8 No. 400kV (EHT) substations have already been installed so far. In return of capital investment, efficiency in reduction of losses has been achieved which must be passed on to the consumers. The transmission system is expanding but at the same time higher voltage substations are coming up leading to potential reduction in losses.
- 5.8 The Commission also notes that actual Transmission losses for FY 2023-24 are 2.24% against the target of 2.25%. PSTCL has achieved better transmission losses than the target set up by the Commission for FY 2023-24. PSTCL is not suffering any loss due to fixation of the trajectory and is entitled to a share of the gain as per Regulation 53 of PSERC MYT Regulations 2022.
- 5.9 Regarding comparison with other states, PSTCL has submitted an unequal comparison. While it has operating voltages of 132kv & above, most of the other states mentioned such as Karnataka,

Maharashtra, Gujarat, Haryana etc., have transmission utilities with operating voltages of 66kv and above.

5.10 Accordingly, the prayer with regard to review of transmission loss trajectory for FY 2023-24 to FY 2025-26 is not tenable and is disallowed.

## 6 Employee Cost:

### PSTCL's Submissions:

6.1 PSTCL submitted that it had claimed normative employee cost including Terminal Benefits which were fully allowed by the Commission. However, PSTCL has noticed a rounding off difference of Rs. 0.02 Crores between the figures claimed and approved.

6.2 In Table no 3.22 of Tariff Order for FY 2024-25 (Sr. no. 3) the amounts work out as follows:

**Table No. 10: Calculation of Employee cost as submitted by PSTCL for FY2022-23**

(Rs. Crore)

Sr. No	Particular	Calculation in Tariff Order	Correct Calculation
1	Other Employee Cost of previous Year	222.68	222.68
2	Inflation Factor	7.731%	7.731%
3	<b>Other Employee Cost</b>	<b>239.88</b>	<b>239.90</b>

PSTCL submitted that there is an arithmetical error in the order and the order may be modified to the above extent.

### Commission's Analysis:

6.3 The Commission has correctly allowed the employee cost in Table no 3.22 of the tariff order dated 14.06.2024. Inflation factor has been taken as 7.73083% to be accurate. In the tariff order 7.731% is printed as a rounded figure up to three decimals. Therefore, there

exists no error apparent on the face of the record and thus no reason to review and modify the order dated 14.06.2024.

## 7 Depreciation:

### PSTCL's Submissions:

7.1 PSTCL submitted that it has noticed rounding off difference of Rs. 0.02 Crores between the figures claimed and approved.

7.2 PSTCL further submitted that in Table no 3.38 of Tariff Order for FY 2024-25 (Sr. no. 7) the amounts work out as follows:

**Table No. 11: Calculation of Depreciation as submitted by PSTCL for FY 2022-23**

(Rs.Crore)

Sr. No	Particular	Calculation in Tariff Order	Correct Calculation
1	Average GFA	7576.19	7576.19
2	Depreciation on average GFA	4.12%	4.12%
3	<b>Depreciation</b>	<b>312.09</b>	<b>312.11</b>

PSTCL submitted that there is an arithmetical error in the order and the order may be modified to the above extent.

### Commission's Analysis:

7.3 The Commission has correctly allowed the depreciation in Table no 3.38 of the tariff order dated 14.06.2024. Depreciation has been taken as 4.1192% to be accurate. In the tariff order 4.12% is printed as a rounded figure up to two decimals. Therefore, there exists no error apparent on the face of the record and thus no reason to review and modify the order dated 14.06.2024.

## 8 Summary of expenses allowed

The Commission allows the following along with carrying cost.

**Table No. 12: Expenses allowed by the Commission**

**(Rs. Crore)**

<b>Sr No</b>	<b>Particulars</b>	<b>Amount</b>
1	Interest and Finance Charges for 2 <sup>nd</sup> Control Period	4.17
2	Carrying cost	1.41
<b>3</b>	<b>Total</b>	<b>5.58</b>

The impact of Rs.5.58 Crore will be given in the next tariff Order of PSTCL.

The petition is disposed of with the above observations and directions.

Sd/-

(Paramjeet Singh)  
Member

Sd/-

(Viswajeet Khanna)  
Chairperson

Chandigarh

Dated: **28.11.2024**