CONTENTS

ANNEXURE-I

GENERAL CONDITIONS OF TARIFF

1. General

Supply of electric energy to various categories of consumers shall be chargeable under the relevant Schedule of Tariffs. The particular Schedule applicable to a new consumer shall be determined with reference to nature and/or quantum of load/demand and intimated to the prospective consumer at the time of issue of Demand Notice. This shall be subject to review on the basis of any change in nature and/or the quantum of actual connected load/demand.

2. Tariffs to be exclusive of levies

The tariffs shall be exclusive of electricity duty, cesses, taxes and other charges levied by the Government or other competent authority from time to time.

3. Tariffs to be exclusive of general charges

The tariffs shall be exclusive of rentals and other charges as per the Schedule of General Charges as approved by the Commission.

4. Point of Supply

Unless otherwise approved by the Commission, the tariffs shall be applicable to supply at single point and at voltage specified in the Supply Code 2014. Supply at other points and/or other voltages shall be billed separately, if otherwise permissible.

5. Connected Load

Connected load shall mean the sum of manufacturer's rated capacities of all the energy consuming devices in the consumer's premises connected with distribution licensee's service line. This shall not include standby or spare energy consuming apparatus installed through change-over switch with prior permission of the Distribution Licensee. The connected load shall be determined as per PSERC (Electricity Supply Code & Related Matters) Regulations, 2014, as amended from time to time.

6. Applicability of Industrial Tariff Category

The applicable category of tariff under Schedules LS, MS & SP shall be based on the total of industrial and general load/demand (kW/kVA) as applicable i.e. bona-fide factory lighting, residential quarters and colony lighting including street lighting. While computing total load/demand (kW/kVA) for determining applicable Schedule, fraction of half and above shall be taken as whole kW/kVA and fraction below half shall be ignored.

7. Periodicity of Billing

Periodicity of Billing shall be as specified in PSERC (Electricity Supply Code & Related Matters) Regulations, 2014, as amended from time to time. In case of bimonthly billing, consumption slabs shall be doubled while applying the relevant tariff.

8. Fuel Cost Adjustment (FCA)

8.1 To neutralize the changes in fuel cost, Fuel Cost Adjustment as per fuel cost adjustment formulae in accordance with the provisions of PSERC (Terms & Conditions for Determination of Tariff) Regulations, 2005 & PSERC (Conduct of Business) Regulations, 2005, as amended from time to time shall be applicable in addition to the tariff rates of various categories of consumers specified in relevant Schedule of Tariff.

8.2 Fuel cost adjustment clause shall be applicable to all metered and un-metered categories of consumers.

8.3 Fuel cost adjustment shall not be charged, if the energy bill including fuel cost adjustment remains within monthly minimum charges.

9. Monthly Minimum Charges

9.1 Electricity duty, octroi, cesses, taxes, surcharges, rebates, rentals and other charges leviable as per Schedule of General Charges shall be payable in addition to monthly minimum charges (MMC) wherever the billing is on monthly minimum charges.

9.2 **Monthly Minimum Charges vis-à-vis General Consumption**

Consumption charges for bona-fide factory lighting, residential quarters and colony lighting including street lighting as billed under relevant Schedules of LS/MS/SP categories shall be adjustable against the monthly minimum charges as the same shall be based on sum total of industrial and general load.

10. Contract Demand

10.1 Contract demand shall mean the maximum demand in kVA sanctioned to the consumer.

10.2 All consumers with load exceeding 100 kW (except Public Lighting & AP High

Tech/High Density Farming), MS/BS consumers and DS/NRS consumers with load exceeding 50 kW but upto 100 kW shall declare the maximum demand in kVA which shall not exceed 100% of the sanctioned load in kW and converted in kVA by using 0.90 power factor. However, in case of MS consumers, the maximum demand shall not exceed 100kVA. The date of applicability of contract demand for DS/NRS consumers with load above 50 kW and upto 100 kW shall be specified in Tariff Order.

10.3 The maximum demand for any month shall be considered as highest average load measured in kilovolt Ampere (kVA) during a block of 30 minutes period.

11. Metering

Metering equipment for HT/EHT consumers for the whole supply including general load shall normally be installed on the HV side of the transformer at the point of commencement of supply.

However, a separate single point connection may be allowed for the colony load including street lighting to LS consumers under PSERC (Single point supply to Group Housing Societies/Employers) Regulations 2008, if the colony is in separate premises.

12. Non availability of Metering Equipment

In case of HT/EHT consumers receiving supply at 11 kV and above, if metering equipment is installed on LV side of the transformer due to non-availability of metering equipment, both the energy consumption (kWh/kVAh) and maximum demand shall be enhanced by 3% to account for the transformation losses.

13. Voltage Surcharge/rebate

13.1 **Voltage Surcharge:**

The levy of voltage surcharge shall be as under:-

i) All consumers catered at 400 volts against specified voltage of 11 kV shall be levied surcharge at the rate of 15%.

ii) Arc furnace loads upto 2500 kVA without specified protection system for suppressing voltage surges & other LS consumers with Contract Demand exceeding 2500 kVA and up to 4000 kVA, catered at 11 kV against specified voltage of 33/66 kV shall be levied surcharge at the rate of 7%.

iii) DS/NRS/BS/LS consumers with Contract Demand exceeding 4000 kVA catered at 11 kV against specified voltage of 33/66 kV shall be levied surcharge at the rate of 10%.

iv) All consumers catered at 33/66 kV against specified voltage of 132/220 kV shall be levied surcharge at the rate of 5%.

v) All these surcharges shall be leviable on the consumption charges including Demand Charges, if any or monthly minimum charges, whichever is higher.

vi) The exemptions from levy of surcharge(s) shall continue as under:-

(a) LS consumers existing as on 31.3.2010 availing supply at 33/66 kV but required to convert their system so as to receive supply at 132/220 kV will not be levied any surcharge related to supply voltage, till such consumers request for change of their Contract Demand.

(b) DS/NRS/BS consumers existing as on 31.3.2010 catered at a voltage lower than specified in Supply Code 2014 will be liable to pay surcharge only in case of any change in Contract Demand.

13.2 In case there is any constraint in releasing a new connection or additional load/demand to an existing consumer at specified voltage, the distribution licensee may allow supply at a lower voltage on payment of voltage surcharge as specified above with the permission of Whole Time Directors.

13.3 Voltage Rebate

As the cost to serve at higher voltage is lower than the cost to serve at lower voltage so rebate may be allowed by the Commission to various HT/EHT categories of consumers as specified in the Tariff Order for relevant year.

14. Steel Rolling Mill Surcharge

All steel rolling mill consumers getting supply at 400 volts under schedule LS/MS categories shall be levied surcharge @ 5% on the charges determined as per applicable tariff including LT surcharge @ 15% as per clause 13.1 (i) above, wherever applicable.

15. Levy of Peak Load Exemption Charges/ToD Tariff

15.1 All Large Supply consumers and Medium Supply consumers (except essential services)having sanctioned load of 50 kW or more, may be subjected to Peak Load Hours Restrictions, as declared by the distribution licensee from time to time with the approval of the Commission. During peak load hours restrictions, the consumers shall be allowed to use only part of their sanctioned load without payment of any additional charges. However, a consumer shall be entitled to use additional load during peak load hours restrictions, which will be governed by such conditions and payment of Peak Load Exemption Charges (PLEC) as approved by the Commission. PLEC shall not be adjustable against MMC and will also be exclusive of electricity duty, cesses, taxes and other charges levied by the Government or other competent authority.

15.2 The consumers covered under Peak Load Hours instructions as per 15.1 above may opt to be covered under ToD Tariff on such terms and conditions as specified by the Commission instead of Peak Load Hours instructions.

16. Non-availability of MDI reading and/or kVAh Consumption

16.1.1 **Defective MDI:**

In case the MDI of a consumer becomes defective, the maximum demand shall be computed as under:

16.1.2 Higher of the average of maximum demands recorded during the preceding three months before the MDI became defective or the maximum demand of corresponding month of the previous year provided there was no change of load/demand thereafter, shall be adopted for billing purposes for the period the MDI remained defective.

16.1.3 If there was change of load/demand immediately before the MDI became defective, the maximum demand computed as above shall be adjusted on pro-rata basis.

16.1.4 In case of new connections where the previous reading record is not available the maximum demand shall be taken as 75% of sanctioned contract demand for billing purposes during the period MDI became defective.

16.2 **Non-availability of kVAh consumption**

16.2.1 In case kVAh consumption is not available due to defective meter or otherwise, the average of monthly average power factor of the consumer's installation recorded during the last three correct working months preceding the period of overhauling (i.e. period of review of billing account) shall be taken as monthly average power factor for the purpose of power factor surcharge/incentive to the applicable category till such time kVAh consumption is available.

16.2.2 Where the billing is done on kVAh consumption basis, the procedure given in the Supply Code 2014 shall be followed for billing purposes as applicable to defective/dead stop meters.

17. Tariff for News Paper Printing Presses

Accredited news paper printing presses shall be treated as industrial premises and therefore the supply to these consumers shall be considered as industrial supply and shall be charged under relevant industrial tariff. However, the lighting load in the premises of accredited news paper presses shall be metered separately and charged as per rates under Schedule Non-Residential Supply.

18. Seasonal Industries

18.1 Seasonal industries mean industries/factories which by virtue of nature of their production, work during part of the year upto a maximum of 9 months during the period of 1st September to 31st May next year. However, seasonal period for rice shellers shall be during the period 1st October to 30th June next year.

18.2 Approved seasonal industries are as under:

(i) All cotton ginning, pressing and bailing plants

(ii) All rice shellers

(iii) All rice bran stabilization units (without T.G. Sets)

(iv) Kinnow grading & Waxing Centers

18.3 Rice bran stabilization units having T.G. Sets, Rice Huller Mills, Ice Factories and Ice Candy Plants shall not be treated as seasonal industries.

18.4 The seasonal Industry consumers shall have the option to be covered under General Industry Category and relevant Industrial Tariff shall be applicable in such cases. This option shall be exercised by the consumer at least one month prior to start of the season and billing as general industry shall be done for whole one year i.e. for a period of 12 months from the date of start of season.

18.5 Billing of Seasonal Industries

All seasonal industries shall be charged MMC as under:

(i) For exclusive Seasonal industries mentioned above (except Rice Shellers), billing shall be done monthly and Monthly Minimum Charges (MMC) as applicable in respective schedules of tariff shall be levied on full sanctioned load/demand for the period these industries work during seasonal period of 9 months (from 1st September to 31st May next year). However, this working period shall be taken as minimum of 4½ months for the purpose of levy of MMC on month to month basis. Industries which work for more than 9 months and up to 12 months, monthly minimum charges shall be levied on full sanctioned load/demand as mentioned above for the seasonal period of 9 months. For the remaining 3 months (i.e. 1st June to 31st August) billing shall be done as per tariff applicable to general industrial consumers and Tariff rate / rate of MMC shall be as given in Schedule of Tariff for general industrial consumers and as applicable depending upon the sanctioned load/demand.

(ii) However, billing of rice shellers (exclusive seasonal Industry) shall be done as under:-

- Billing for the rice sheller seasonal industry shall be done monthly. The Seasonal Minimum Energy Charges (SMEC) will be based on energy consumption formula (4800 + nx)x9 wherein monthly energy consumption of 50 kW rice sheller will be taken as 4800 units in accordance with LDHF formula (L-load: 50 kW. D-days: 24 days. H-hours: 10, F-demand factor: 0.4); where 'n' represents numerical number rounded off to two decimal point and will be positive/negative.

  0,1,2,3,4,5……..upto 'n' for each 10 kW increase/decrease, respectively, with respect to base load of 50 kW. "x" has been taken as 400 units per 10 kW change in load over base load of 50 kW.

- Once the amount equivalent to Minimum Energy Charges for 9 months (seasonal period) is deposited by the consumer in the form of consumption, thereafter the bill shall be raised on actual consumption only.

- During off season period, if the consumption of the consumer in any month exceeds the base energy units/monthly minimum energy consumption worked out with the energy consumption formula (4800 + nx), 1/3rd extra energy charges worked out by multiplying base energy consumption/monthly minimum energy consumption (i.e 4800+nx) with seasonal tariff rate shall be charged, in addition to regular off season energy charges during that month.

NOTE:

1. In case of MS and LS category of consumers the kWh consumption computed as per above procedure shall be converted to kVAh consumption by using Power factor of 0.90.

2. Rice Sheller Consumers shall not be required to serve any advance notice before closing/starting of the unit.

3. The Rice Sheller consumer shall also not be required to give an undertaking not to run his Sheller during off season.

(iii) For mixed load Industries, comprising load of seasonal Industries and general industry, billing shall be done/ MMC levied on full sanctioned load/demand for the period seasonal industry runs. MMC on full sanctioned load/demand as applicable to seasonal industries shall be applicable during the seasonal period as specified in condition 18.1 above, subject to minimum of 4½ months. For the remaining period when seasonal load is disconnected, MMC on the basis of general industrial load/demand actually being utilized by the consumer (above 100 kVA in case of LS consumers) shall be leviable. Industries found running seasonal load after having got disconnected the same and intimation having been given to distribution licensee or during off season period, shall be liable to pay MMC as applicable to seasonal industries units for full period of 12 months. If the load/demand actually being utilized during off seasonal period is found to have exceeded the load/demand fixed for off seasonal period, the load/demand surcharge, as applicable, shall be leviable. For LS/MS consumers, if the actual demand recorded during off seasonal period exceeds the pro-rata demand fixed for off seasonal period, only demand surcharge shall be leviable.

(iv) Consumption (kWh/kVAh) by exclusive seasonal industry during the off season shall be charged as per off-seasonal rates under the relevant Schedule of Tariff.

(v) The seasonal Industry consumers covered under para 18.5 (i) and (iii) shall be required to serve advance notice before starting/closing of the unit. Also such consumers shall give an under-taking not to run seasonal load during off season. These provisions shall not be applicable in case of seasonal Industry consumers who opt to be covered under general industry category as per clause 18.4 above.

19. Agricultural Pumping Supply

19.1 All AP connections shall be released only after installation of minimum four star labeled motor.

19.2 Chaff cutters, threshers and cane crushers for self use shall be allowed to be operated on agriculture pumping supply connections.

19.3 The water from tube well shall be allowed to be used by the consumers only to irrigate the land in their possession.

20. Rounding-off Energy Bill

Consumption charges i.e. both demand and energy charges including surcharges, rebates, octroi (if applicable), meter/MCB rentals, electricity duty as well as total energy bill (net as well as gross) shall be rounded-off individually to the nearest rupee by ignoring 1 to 49 paise and taking 50 to 99 paise as one rupee. Thus the amount mentioned in the bill shall be in whole rupee. The net amount payable in all electricity bills shall be rounded-off to the nearest ₹10/- (Rupees ten) and difference due to rounding-off shall be adjusted in subsequent bills.

21. Late Payment Surcharge

In the event of the monthly energy bill or other charges relating to electricity not being paid in full within the time specified in the bill, the consumers shall be levied late payment surcharge as under:-

21.1 For all categories of consumers having HT/EHT specified supply voltage, if the full amount of the bill is not paid within due date, late payment surcharge shall be levied @ 2% on the unpaid amount of the bill up to 7 days after the due date. After 7 days, the surcharge shall be levied @ 5% on the unpaid amount of bill up to 15 days from the due date.

21.2 In case of consumers having LT specified supply voltage, if the full amount of the bill is not paid within due date, the late payment surcharge shall be levied @ 2% on the unpaid amount of the bill up to 15 days from the due date.

21.3 In case of AP consumers, late payment surcharge shall not be levied up to 7 days after the due date. After 7 days surcharge shall be levied as in the case of LT consumers.

21.4 Interest @ 1.5% per month on gross unpaid amount including surcharge payable as per clause 21.1, 21.2 & 21.3 above shall be levied after expiry of 15 days from the due date of the bill till the deposit of outstanding amount. Part of the month shall be treated as full month for this purpose.

22. Single Point Supply to Co-operative Group Housing Societies/Employers etc.

Distribution Licensee shall give supply of electricity for residential purposes including common services on an application by a Co-operative Group Housing Society/Employer which owns the premises at a Single Point at 11kV or above voltage for making electricity available to the members of such Society or employees residing in the same premises under PSERC (Single Point Supply to Co-operative Group Housing Societies/ Employers) Regulations, 2008. Provided that the provisions of these Regulation shall not in any way affect the right of a person residing in the Housing Unit sold or leased by such a Housing Society to demand supply of electricity directly from the distribution licensee.

23. Interpretation of Tariff

If a question arises as to the applicability of tariff to any class of consumer or as to the interpretation of various clauses of tariff or General Conditions of Tariff, decision of the Commission shall be final.

ANNEXURE-II

SCHEDULES OF TARIFF (FY 2015-16)

SI. SCHEDULE OF TARIFF FOR LARGE INDUSTRIAL POWER SUPPLY (LS)

SI.1 Availability

SI.1.1 This tariff shall apply to all industrial power supply consumers having contract demand exceeding 100 kVA.

Oil/Gas terminals, gas bottling plants, depots of oil/gas companies, poultry, goatery, piggery & dairy farms meeting above criteria, shall also be covered in this schedule.

SI.1.1.1 A separate NRS connection in the premises of LS consumers shall be permissible for regular conduct of commercial activities provided such activity is permissible under bye laws/Rules of the Govt. The electric wiring and portion of the building for such activity should be separate.

SI.2 Character of Service

SI.2.1 Alternating Current, 50 cycles/second, Three Phase 11 kV or higher Voltage as specified in the Supply Code 2014 depending on quantum/type of load/ contract demand and availability of bus voltage and transformer winding capacity at the feeding sub-station.

SI.3 Tariff

<table>
<tr><th></th><th>Description</th><th>Energy Rate (paise/kVAh)</th><th>MMC (₹/kVA)</th></tr>
<tr><td>SI.3.1</td><td>General Industry</td><td>614</td><td>188</td></tr>
<tr><td>SI.3.2</td><td>Arc Furnaces and Power Intensive Units including Induction furnaces, Chloro-alkaline units, Billet heaters, Surface hardening Machines & Electrolytic process industries</td><td>633</td><td>491</td></tr>
<tr><td>SI.3.3</td><td>Seasonal Industries covered under clause 18 of the General Conditions of Tariff:
(i) Seasonal Rate
(ii) Off Seasonal Rate</td><td>
614
740</td><td>
518
NA</td></tr>
<tr><td rowspan="2">SI.3.4</td><td rowspan="2">Ice Factories, Ice Candies & Cold Storages</td><td rowspan="2">614</td><td>704
(April to July)</td></tr>
<tr><td>140
(August to March next year)</td></tr>
</table>

For seasonal industry, the MMC shall be charged as per clause 18 of the General Conditions of Tariff as amended from time to time & Tariff Order for this year.

Note:

(i) Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SI.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

(ii) ToD tariff shall be applicable as per the Tariff Order for this year.

(iii) Extra levy (per kVAh) shall be charged on pro-rata basis for the continuous process load of industrial consumers as per Tariff Order for this year.

(iv) The energy charges under paras SI.3.1, SI.3.2, SI.3.3 & SI.3.4 above shall be without prejudice to levy of monthly minimum charges.

SI.3.5 For Arc/PIU industries, where the load is of mixed nature, i.e. in addition to Arc/Power Intensive loads, General Industrial loads are also running, monthly minimum charges shall be determined by computing the contract demand on prorate basis in proportion to such loads duly sanctioned by the load sanctioning authority. In such cases, Power Intensive loads shall comprise of loads as mentioned in para SI.3.2, including auxiliary loads, loads of pollution control machinery, gas plants & corresponding lighting loads, and general industrial loads in such cases shall comprise loads of rolling mills and its allied loads, related workshop, general engineering machinery and corresponding lighting load, for the purpose of levy of monthly minimum charges.

SI.3.6 For industrial units having co-generation facility, MMC shall be levied on the sanctioned contract demand for the load to be exclusively fed from the distribution licensee's system or the actual demand in kVA recorded during the month, whichever is higher.

SI.3.7 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SI.3.8 Steel Rolling Mill Surcharge

Steel Rolling Mill Surcharge shall be applicable as per clause 14 of the General Conditions of Tariff, as amended from time to time.

SI.3.9 In case of HT/EHT consumers receiving supply at 11 kV and above, if metering equipment is installed on LV side of the transformer due to non-availability of metering equipment, both the energy consumption (kVAh) and maximum demand shall be enhanced as per clause 12 of General Conditions of Tariff, to account for the transformation losses.

SI.4 Seasonal Industries

Seasonal industries shall be billed as per clause 18 of General Conditions of Tariff, as amended from time to time.

SI.5 Factory Lighting and Colony Lighting

All consumption for bona fide factory lighting shall be included for charging under the above tariff. The consumption for residential purposes i.e staff quarters of factory, street lighting etc. shall also be charged under this Schedule. However, a separate single point connection may be allowed for the colony load including street lighting under PSERC (Single Point Supply to Cooperative Group Housing Societies/Employers) Regulations 2008, if the colony is in separate premises.

SI.6 Load/Demand Surcharge

SI.6.1 Load Surcharge

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances, wherever applicable, shall be obtained by the consumer.

SI.6.2 Demand Surcharge for exceeding the Contract Demand

If a consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand, irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand for billing purpose shall be computed as per clause 16 of General Conditions of Tariff, as amended from time to time. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SI.6.3 Compensation for damage

Any consumer who exceeds his contract demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipments or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SI.7 Force Majeure applicable for Arc/Induction furnaces

In the event, where normal working of the industry is affected in the event of lock out due to labour problem, damage of EHV Power Transformer, failure on the part of distribution licensee to supply power, fires, earth-quakes, floods, tempests and lightning, directly resulting in closure of industry or normal supply hours reduced through specific order of the distribution licensee for power regulation purposes, the consumer shall be entitled to proportionate reduction in monthly minimum charges, provided that such closure or reduced working hours continue for at least seven days consecutively in a billing cycle month directly as a consequence of any of the above conditions, with the approval of load sanctioning authority. In the event of relief being allowed in monthly minimum charges under above conditions, the consumers shall, however, be required to pay atleast monthly minimum charges as applicable to general Industry large supply consumers.

SII SCHEDULE OF TARIFF FOR MEDIUM INDUSTRIAL SUPPLY (MS):

SII.1 Availability

This tariff shall apply to all industrial power supply consumers having connected load above 20 kW but contract demand not exceeding 100kVA.

Oil/Gas terminals, gas bottling plants, depots of oil/gas companies, poultry, goatery, piggery and dairy farms meeting above criteria, shall also be covered in this schedule.

SII.1.1.1 A separate NRS connection in the premises of MS consumers shall be permissible for regular conduct of commercial activities provided such activity is permissible under bye laws/Rules of the Govt. The electric wiring and portion of the building for such activity should be separate.

SII.2 Character of Service

SII2.1 Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV (at consumer's discretion). The Contract Demand shall not exceed 100 kVA.

SII.2.2 Metered supply connections to poultry, goatery, piggery & dairy farms may be released from category-1 or UPS or AP feeder at the option of the consumer subject to the technical feasibility to release such connection. However, the consumer opting for supply from AP feeder shall be entitled to limited hours of supply as per power supply schedule applicable to AP consumers. The consumers opting for supply from AP feeder shall not be eligible for tariff applicable to agriculture consumers.

SII.3 Tariff

	Description	**Energy Rate (paise/kVAh)**	**MMC (₹ per kVA)**
SII.3.1	General Industry	587	188
SII.3.2	Seasonal Industries covered under clause 18 of the General Conditions of Tariff: (i) Seasonal Rate (ii) Off Seasonal Rate	 587 731	 518 NA
SII.3.3	Ice Factories, Ice Candies & Cold Storages	587	704 (April to July)
			140 (August to March next year)

For seasonal industry, the MMC shall be charged as per clause 18 of the General Conditions of Tariff, as amended from time to time & Tariff Order for this year.

Note:

i) Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SII.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

ii) Extra levy (per kVAh) shall be charged on pro-rata basis for continuous process load of industrial consumers as per Tariff Order for this year.

iii) The energy charges under paras SII.3.1, SII.3.2 and SII.3.3 above shall be without prejudice to levy of monthly minimum charges.

iv) Time of Day (ToD) tariff shall be applicable as per the Tariff Order for this year.

SII.3.4 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of the General Conditions of Tariff, as amended from time to time.

SII.3.5 Steel Rolling Mill Surcharge

The steel rolling mill surcharge shall be applicable as per clause 14 of the General Conditions of Tariff, as amended from time to time.

SII.3.6 In case of Rice Shellers, Ice Factories, Cold Storage & Stone Crushers falling under this schedule, where the metering is done on 11 kV and the consumer has installed his own transformer, additional rebate of 3 paise per kVAh shall be admissible over and above the voltage rebate admissible as per clause 13 of the General Conditions of Tariff.

SII.4 Seasonal Industries

Seasonal industries shall be billed as per Clause 18 of General Conditions of Tariff, as amended from time to time.

SII.5 Factory Lighting

The consumption for the bona fide factory lighting and residential quarters, if any, attached to the factory shall not be metered separately. Only one meter shall be installed for industrial & general load and entire consumption shall be charged at the rate for industrial consumption.

SII.6 Load/Demand Surcharge

SII.6.1 Load Surcharge

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SII.6.2 Demand Surcharge for exceeding the Contract Demand

If a consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand for billing purpose shall be computed as per clause 16 of General Conditions of Tariff, as amended from time to time. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SII.6.3 Compensation for damage

Any consumer who exceeds his Contract Demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SIII **<u>SCHEDULE OF TARIFF FOR SMALL INDUSTRIAL SUPPLY (SP)</u>**

SIII.1 Availability

Available to small power industries with connected load not exceeding 20 kW.

Oil Gas terminals, gas bottling plants, depots of oil/gas companies, poultry, goatery, piggery & dairy farms meeting the above criteria, shall also be covered in this schedule.

SIII.1.1 A separate NRS connection in the premises of SP consumers shall be permissible for regular conduct of commercial activities provided such activity is permissible under the bye laws/Rules of the Govt. The electric wiring and portion of the building for such activity should be separate.

SIII.2 Character of Service

SIII.2.1 Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts, as specified in the Supply Code 2014.

SIII2.2 Metered Supply connections to poultry, goatery, piggery & dairy farms may be released from category-1 or UPS or AP feeder at the option of the consumer subject to the technical feasibility to release such connection. However, the consumer opting for supply from AP feeder shall be entitled to limited hours of supply as per power supply schedule applicable to AP consumers. The consumers opting for supply from AP feeder shall not be eligible for tariff applicable to agriculture consumers.

SIII.3 Tariff

	Description	**Energy Rate (paise/kWh)**	**MMC (₹/kW)**
SIII.3.1	General Industry	585	157
SIII.3.2	Seasonal industries covered under clause 18 of the General Conditions of Tariff: (i) Seasonal Rate (ii) Off Seasonal Rate	 585 690	 574 NA
SIII.3.3	Ice Factories, Ice Candies & Cold Storages	585	782 (April to July)
			157 (August to March of next year)

For seasonal industry, the MMC shall be charged as per clause 18 of the General Conditions of Tariff as amended from time to time & Tariff Order for this year.

Note:

i) Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SIII.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

ii) The energy charges under paras SIII.3.1, SIII.3.2 & SIII.3.3 above shall be without prejudice to levy of monthly minimum charges.

SIII.4 Seasonal Industry

Seasonal industries shall be billed as per Clause 18 of General Conditions of Tariff, as amended from time to time.

SIII.5 Factory Lighting

The consumption for the bona fide factory lighting and residential quarters, if any, attached to the factory shall not be metered separately. Only one meter shall be installed for industrial & general load and entire consumption shall be charged at the rate for industrial consumption.

SIII.6 Load Surcharge

SIII.6.1 If the connected load of a consumer exceeds the permissible limits over and above the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at a rate of ₹1000/- per kW or part thereof for each default. This load surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. The unauthorized load so detected shall be got removed. However if the unauthorized extension is up to 10% of the sanctioned load, the consumer shall be required to pay load surcharge and the connection shall not be disconnected. The unauthorized load upto 10% of the sanctioned load so detected shall either be removed or got regularized by the consumer. The extra load permissible shall be to the extent that total load does not exceed 20 kW.

SIII.6.2 Compensation for damage

Any consumer who exceeds his sanctioned load shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SIII.7 Power Factor Surcharge/Incentive

SIII 7.1 The monthly average power factor of the plant and apparatus owned by the consumer shall not be less than 0.90. The monthly average power factor shall mean the ratio of total kWh to total kVAh supplied during the month. The ratio shall be rounded up to two decimal figures.

SIII 7.2 All consumers under this schedule shall be provided with meter/metering equipment to measure monthly average power factor. Power factor surcharge/incentive shall be applicable as prescribed below.

SIII.7.2.1 Power Factor Surcharge

If the monthly average power factor falls below 0.90, the consumer shall pay on the bill amount a surcharge of 1% for each 0.01 decrease in the monthly average power factor below 0.90. The surcharge shall be 2% for each 0.01 decrease of monthly average power factor below 0.80.

SIII.7.2.2 Power Factor Incentive

If the monthly average power factor exceeds 0.90, incentive @ 0.25% for each increase of 0.01 above the limit of 0.90 shall be allowed on the bill amount.

SIII.7.3 For the purpose of power factor surcharge & incentive, the bill amount shall mean the consumption charges in a month, but not the bill amount payable on monthly minimum charges.

SIII.8 Capacitor Surcharge

SP consumers existing as on 08.09.2009 were given option either to opt for installation of meter/metering equipment to measure the monthly average power factor where after the surcharge/incentive would become applicable as specified in para SIII.7 above or continue under the provisions as detailed below:

Consumers who did not opt for new provisions for measurement of monthly average power factor shall be required to install ISI mark shunt capacitors.

In case Shunt Capacitor(s) is/are found to be missing or inoperative or damaged, a 15 days notice shall be issued to the consumer for rectification of the defect and setting right the same. If the defective capacitor(s) is/are not replaced/rectified within 15 days of the issue of notice, a surcharge @ 20% on bill amount shall be levied for the preceding two months and it shall continue to be levied till the defective capacitor(s) is/are replaced/rectified to the satisfaction of the distribution licensee. In case the capacitor(s) is/are found to be of inadequate rating, the capacitor surcharge shall be levied on pro-rata basis.

SIV SCHEDULE OF TARIFF FOR AGRICULTURAL PUMPING SUPPLY(AP)

SIV.1 Availability

Available for irrigation pumping supply loads including Kandi Area tube wells, tube wells in farms of PAU, Lift irrigation tube wells, PSTC tube wells, IB tube wells, tube wells installed under Technical Co- operative Assistance Scheme, tube wells of Co-operative Societies formed by marginal farmers for installing deep bore tube wells under Central Assistance Schemes, tube wells used to provide irrigation for horticulture/floriculture in open field condition or net houses, green/hot houses, tube wells of Harijan farmer's cooperative societies and Punjab Water Resources Management and Development Corporation's tube wells for reviving ecology of Holy Bein.

Power utilized for any other purpose shall be separately metered and charged under the relevant schedule.

SIV.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts as specified in the Supply Code 2014.

SIV.3 Tariff

	Description	Energy Rate	MMC
SIV.3.1	Agricultural Pumping Supply (AP) without GoP Subsidy	458 paise/kWh or ₹338/BHP/Month	NA
SIV.3.2	Agricultural Pumping Supply (AP) with GoP Subsidy	NIL	NA

Note: Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SIV.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SIV.4 Flat rate supply shall only be allowed to consumers getting supply from agriculture feeders. The consumers located within Municipal Limits of cities/towns or getting supply from Urban/City/Urban Pattern Supply/Kandi area feeders shall be covered under metered supply only.

SIV.4.1 20% surcharge on flat rate charges or as determined by the Commission in the Tariff Order for this year shall be leviable in case of agricultural consumers covered under flat rate/metered supply category until a consumer fulfils the following requirements:-

SIV.4.1.1 Delivery pipe should not be more than 2 feet above the ground level water channel except for the consumers who are having underground irrigation system.

SIV.4.1.2 Bend used in the delivery pipe should not be sharp but of suitable curvature.

SIV.4.1.3 Motor-Pump should be installed on a Pucca leveled foundation in case of mono-block or belt driven pump-sets.

SIV.4.2 Extra fixed charges shall be levied wherever an agricultural tube well covered under this schedule is also used for fish farming as below:-

SIV.4.2.1 Fish culture in a pond up to half acre: ₹900/- per annum

SIV.4.2.2 Fish culture in a pond above half acre but up to one acre: ₹1800/- per annum

SIV.4.2.3 Additional area under fish pond to be charged in multiples of half acre rate. The pond area shall include bundhing.

SIV.4.2.4 Relevant industrial tariff shall be applied for such tube wells which are exclusively used for fish farming.

SIV. 4.3 Misuse of AP supply

The misuse of AP supply provided to agricultural tube wells for other purposes shall be dealt with as per provisions of Electricity Act, 2003.

SIV.5 Pump House Lighting

The consumption for bona fide lighting of the pump or machine house of 2 CFLs with total wattage aggregating 40 watts shall be allowed per tube well connection.

SIV.6 Load Surcharge

SIV.6.1 If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at a rate of ₹1000/- per kW or part thereof for each default. This load surcharge shall be without prejudice to distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However, if un-authorized extension is up to 10% of the sanctioned load, the consumer shall pay load surcharge but connection shall not be disconnected. The unauthorized load so detected shall, however, be got removed.

SIV.6.2 Any consumer who exceeds his sanctioned connected load shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SIV.7 Installation of Shunt Capacitors

SIV.7.1 No tube well connection shall be released without installation of ISI mark Shunt Capacitors of requisite capacity. The kVAR capacity of Shunt Capacitors to be installed shall be as prescribed by the distribution licensee with the approval of the Commission.

SIV.7.2 AP consumers having got installed Shunt Capacitors at their tube well premises from the distribution licensee against payment of monthly rentals, shall be charged rentals @ ₹4/- per kVAR per month from the date of installation. The rentals shall, however, be recovered on half yearly basis i.e. ₹24 per kVAR in April and October every year.

SIV.7.3 Before allowing extension in load/regularization of load by distribution licensee, the existing AP consumers shall install capacitors of adequate capacity as prescribed by distribution licensee with the approval of the Commission.

SV <u>SCHEDULE OF TARIFF FOR NON RESIDENTIAL SUPPLY (NRS)</u>

SV.1 Availability

SV.1.1 Supply to non-residential premises such as business houses, cinemas, clubs, offices, hotels/motels, departmental stores, shops, guest houses, restaurants for lights, fans, appliances like pumping set & air conditioning units/plants, lifts, welding sets, small lathes, electric drills, heaters, battery chargers, embroidery machines, printing presses, ice candy machines, dry cleaning machines, power presses, small motors etc. Private hospitals (other than charitable), Private unaided educational institutions i.e schools, colleges and universities, hostels and residential quarters attached thereto where such institutions/installations are not covered under schedule DS/BS, Telecommunication/Cellular Mobile Phone Towers and all private sports institutions/ facilities including gymnasiums shall come under this category.

SV.1.2 If a portion of residential/industrial premises is regularly used for any commercial activity permitted under law, the consumer shall be required to obtain a separate connection under NRS category for the portion put to commercial use. In such an event, two connections, one under Schedule DS/Industrial and the other under Schedule NRS shall be permitted.

SV.1.3 Any of the following activities carried out in a part of residential premises shall also be covered under this schedule.

a) A private outpatient clinic/hospital or laboratory.

b) PCO.

c) Milk processing (other than chilling plant)) for commercial purposes.

d) Offices of any other professional service provider.

e) ATM.

SV.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts. All NRS consumers with load exceeding 50 kW & up to 100 kW shall get their Contract Demand sanctioned before 30.9.2015. In case of consumer who fails to declare its Contract Demand before the stipulated period, his contract demand shall be fixed on the basis of 100% of the sanctioned load by using 0.90 power factor. For load/contract demand exceeding 100 kW/kVA, the supply shall be given at 11 kV or higher voltage as specified in the Supply Code 2014 depending on quantum of contract demand and availability of bus voltage and transformer winding capacity at the feeding sub-station.

SV.3 Tariff

	Description	**Energy Rate**	**MMC**
SV.3.1	For Loads not exceeding 50 kW i. Upto 100 kWh ii. Above 100 kWh	653 paise/kWh 675 paise/kWh	₹190/kW
SV.3.2	For Loads exceeding 50 kW and upto 100kW (from 01.04.2015 to 30.09.2015) i. Upto 100 kWh ii. Above 100 kWh	653 paise/kWh 675 paise/kWh	₹190/kW
SV.3.3	For Loads exceeding 50 kW and upto 100kW (from 01.10.2015 to 31.03.2016) i. Upto 100 kVAh ii. Above 100 kVAh	588 paise/kVAh 608 paise/kVAh	₹171/kVA
SV.3.4	For loads/demand exceeding 100 kW/kVA i. Upto 100 kVAh ii. Above 100 kVAh	601 paise/kVAh 621 paise/kVAh	₹171/kVA

The energy charges shall be without prejudice to levy of monthly minimum charges.

Note :

i) Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SV.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

ii) The tariff rates shall be increased by 25% for private hospitals & MRI/CT Scan centres getting continuous supply through independent feeders under this Schedule.

SV.3.3 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time

SV.3.4 MMC shall be computed on actual sanctioned load/demand without rounding off.

SV.4 Load/ Demand Surcharge

SV.4.1 Load Surcharge

SV.4.1.1 For loads not exceeding 100 kW (upto 30.09.2015) and for loads not exceeding 50 kW (w.e.f. 01.10.2015)

If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at the rate of ₹1000 per kW or part thereof for each default. This load surcharge shall be without prejudice to the licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However if unauthorized extension is up to 10% of sanctioned load, the consumer shall pay load surcharge and the connection shall not be disconnected. The unauthorized load so detected shall either be removed or got regularized by the consumer.

SV.4.1.2 For loads above 50 kW (w.e.f. 01.10.2015)

No load surcharge shall be levied w.e.f. 01.10.2015 for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SV.4.2 Demand Surcharge for exceeding the contract demand

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SV.4.3 Compensation for damage

Any consumer who exceeds his sanctioned load/demand shall be liable to compensate the licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the licensee may also cause the service of the consumer to be disconnected without giving any notice to the consumer.

SVI SCHEDULE OF TARIFF FOR DOMESTIC SUPPLY (DS)

SVI.1 Availability

SVI.1.1 Supply to a residential premises for lights, fans, single/three phase domestic pumping set/toka machine not exceeding 2 BHP and other house hold appliances. Where a room or a part of residential house is being utilized by a person for imparting education/tuition work or for cookery classes/beauty parlour/tailoring work etc., supply for such purposes shall also be covered under this schedule.

Where a portion of the residential premises is used regularly for the conduct of business, the supply in that portion shall be separately metered under separate connection and billed under Schedule NRS.

SVI.1.2 Supply to Govt. sports institutions/facilities, including gymnasiums, Govt./Govt. aided educational institutions viz. schools, colleges, universities, I.T.Is, including hostels and residential quarters attached to these educational institutions.

Supply to hostels and/or residential quarters attached with the private educational institutions where separately metered shall also be covered in this schedule. Hostels will be considered as one unit and billed without compounding.

SVI.1.3 Supply to all places of worship provided that concerned authorized officer of the distribution licensee certifies the genuineness of place being used for worship by general public.

SVI.1.4 Supply to Sainik Rest Houses of Rajya Sainik Board.

SVI.1.5 Supply to Govt. hospitals, primary health centres, civil dispensaries and hospitals run by charitable institutions covered under section 80(G) of the Income Tax Act.

SVI.1.6 Release of more than one connection in the premises of Domestic Supply consumer shall be admissible subject to the following conditions:-

SVI.1.6.1 In case where family members/occupants living in a house have separate cooking arrangements.

SVI.1.6.2 In case a tenant wants a separate connection, he shall furnish consent of the landlord in the form of affidavit duly attested by Notary Public that the landlord shall clear all the liabilities in case the tenant leaves the premises without paying licensee’s dues.

SVI.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts as specified in Supply Code 2014. All DS consumers with load exceeding 50 kW & up to 100 kW shall get their Contract Demand sanctioned before 30.9.2015. In case of consumer who fail to declare its Contract Demand before the stipulated period, his contract demand shall be fixed on the basis of 100% of the sanctioned load by using 0.90 power factor. For load/ contract demand exceeding 100 kW/kVA, the supply shall be given at 11 kV or higher voltage as specified in the Supply Code 2014 depending on quantum of contract demand and availability of bus voltage and transformer winding capacity at the feeding sub-station.

SVI.3 Tariff

	Description	Energy Rate	MMC
SVI.3.1	For Loads not exceeding 50 kW i. Upto 100 kWh ii. Above 100 & upto 300 kWh iii. Above 300 kWh	 452 paise/kWh 614 paise/kWh 656 paise/kWh	₹52/kW
SVI.3.2	For Loads exceeding 50 kW and upto 100kW (from 01.04.2015 to 30.09.2015) ii. Upto 100 kWh ii. Above 100 & upto 300 kWh iii. Above 300 kWh	 452 paise/kWh 614 paise/kWh 656 paise/kWh	₹52/kW
SVI.3.3	For Loads exceeding 50 kW and upto 100kW (from 01.10.2015 to 31.03.2016) i. Upto 100 kVAh ii. Above 100 & upto 300 kVAh iii. Above 300 kVAh	 407 paise/kVAh 553 paise/kVAh 590 paise/kVAh	₹47/kVA
SVI.3.4	For loads/demand above 100 kW/kVA i. Upto 100 kVAh ii. Above 100 & upto 300 kVAh iii. Above 300 kVAh	 416 paise/kVAh 565 paise/kVAh 604 paise/kVAh	₹47/kVA

Golden Temple, Amritsar and Durgiana Temple, Amritsar

	Description	Energy Rate	MMC (₹)
SVI.3.3	First 2000 kWh	Free	NA
SVI.3.4	Beyond 2000 kWh	532 paise/kWh	NA

The energy charges shall be without prejudice to levy of monthly minimum charges.

Note : Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SVI.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SVI.3.5 Voltage Surcharge/Rebate

Voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SVI.3.6 MMC shall be computed on actual sanctioned load/demand without rounding off.

SVI.3.7 MMC for Single Point Supply to Group Housing Societies/ employers shall be as approved by the Commission in the Tariff Order for this year.

SVI.4 Load/ Demand Surcharge

SVI.4.1 Load Surcharge

SVI.4.1.1 For loads not exceeding 100 kW (upto 30.09.2015) & for loads not exceeding 50 kW (w.e.f. 01.10.2015)

If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at the rate of ₹1000 per kW or part thereof for each default. This load surcharge shall be without prejudice to the licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However, if unauthorized extension is up to 10% of sanctioned load, the consumer shall pay load surcharge and the connection shall not be disconnected. The unauthorized load so detected shall either be removed or got regularized by the consumer.

SVI.4.1.2 For loads above 50 kW (w.e.f. 01.10.2015)

No load surcharge shall be levied w.e.f. 01.10.2015 for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SVI.4.2 Demand Surcharge for exceeding the contract demand

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SVI.4.3 Compensation for damage

Any consumer who exceeds his sanctioned load/demand shall be liable to compensate the licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the licensee may also cause the service of the consumer to be disconnected without any notice to the Consumer.

SVI.5 Single Point Supply to Co-operative Group Housing Societies/ Employers etc.

SVI.5.1 A distribution licensee shall give supply of electricity for residential purposes including common services on an application by a Co-operative Group Housing Society/employer which owns the premises, at a Single Point at 11kV or above voltage for making electricity available to the members of such Society or employees residing in the same premises.

Provided that the above provisions shall not in any way affect the right of a person residing in the Housing Unit sold or leased by such a Housing Society to demand supply of electricity directly from the distribution licensee.

SVI.5.2 Total consumption of electricity recorded at single point connection of a Co-operative Housing Society/employer's colony will be billed at a rate equal to the highest slab rate of Schedule of Tariff for Domestic Supply (DS) and a rebate of 12% (Twelve percent) will be admissible in addition to any other rebate on electricity consumption charges as may be approved by the Commission. The MMC on the basis of Contract Demand of the consumer shall be applicable as specified in the Tariff Order for this year.

SVI.5.3 The housing society/employer will not charge its residents for electricity supply at a tariff higher than the rates for Domestic Supply, approved by the Commission.

SVI.5.4 The other terms & conditions shall be as per PSERC (Single Point Supply to Co-operative Group Housing Societies/Employers) Regulations, 2008.

SVII SCHEDULE OF TARIFF FOR BULK SUPPLY (BS)

SVII.1 Availability

SVII.1.1 Available for general or mixed loads exceeding 10 kW to MES, Defence Establishments, Railways, Central PWD institutions, Irrigation Head works, Jails, Police/Para Military Establishments/Colonies and Govt. Hospitals/ Medical Colleges/Govt. Educational Institutions having mixed load subject to a minimum of 25% domestic load and motive/Industrial load not exceeding 50%, where further distribution will be undertaken by the consumer. Institutions/Installations having DS load less than 25% will be covered under relevant NRS Schedule of Tariff. Where motive/Industrial load of any installation exceeds 50% of the total load, such an installation will be charged applicable industrial tariff.

SVII.1.2 This schedule shall continue to be applicable to the existing Bulk Supply consumers other than covered in SVII.1.1.

SVII.2 Character of Service

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2014, depending on quantum of contract demand and availability of bus voltage and transformer winding capacity at the feeding sub-station. All BS consumers shall get their Contract Demand sanctioned irrespective of their connected load. Contract Demand above 100 kVA shall be released on HT/EHT only.

SVII.3 Tariff

Description	Energy Rate (paise/kVAh)	MMC (₹/kVA)
HT	609	307
LT	635	

Energy charges shall be levied without prejudice to the levy of monthly minimum charges.

Note:

i) Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SVII.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

ii) The tariff rates shall be increased by 25% in case of existing private hospitals & MRI/CT Scan centres getting continuous supply through independent feeders under BS Schedule. All Govt. hospitals and hospitals run by charitable institutions covered under Section 80-G of Income Tax Act, 1961 shall be exempted from levy of 25% extra tariff.

SVII.3.1 Voltage Surcharge/Rebate

Voltage Surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SVII.4 Load /Demand Surcharge

SVII.4.1 Load Surcharge

SVII.4.1.1 No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SVII.4.2 Demand Surcharge for exceeding the contract demand

If a consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SVII.4.3 Compensation for damage

Any Bulk Supply consumer who exceeds his sanctioned contract demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the licensee may cause the service of the consumer to be disconnected without any notice to the consumer.

SVIII SCHEDULE OF TARIFF FOR PUBLIC LIGHTING SUPPLY

SVIII.1 Availability

Available for Street Lighting system including signalling system and road & park lighting undertaken by the local bodies like Municipal Corporations, Municipal Committees, Nagar Councils, Panchayats, Institutions etc.

SVIII.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts as specified in the Supply Code 2014.

SVIII.3 Tariff

Energy Charges (paise/kWh)	Annual Minimum Charges (AMC)
669	As per 8 hours/day

Note: Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SVIII.3 in accordance with clause 8 of General Conditions of Tariff.

SVIII.4 Rates of Line Maintenance and Lamp Renewal Charges

SVIII.4.1 Category-A

Where the initial installation of complete street light fittings & lamps and their subsequent replacement shall be carried out at the licensee's cost, the line maintenance and lamp renewal charges shall be as under:-

SVIII.4.1.1 Ordinary/CFL/LED lamps

(i)	Lamps up to 150 watts	₹16/-per lamp per month
(ii)	Lamps above 150 watts	Special quotation

SVIII.4.1.2 Mercury/ Sodium Vapour lamps

(i)	Lamps of 80 watts	₹49/- per lamp per month
(ii)	Lamps of 125 watts	₹53/- per lamp per month
(iii)	Lamps of 250 watts	₹90/- per lamp per month
(iv)	Lamps of 400 watts	₹101/-per lamp per month

SVIII.4.1.3 Fluorescent tubes

(i)	Single 2 ft 20 watts	₹26/- per point per month
(ii)	Single 4 ft 40 watts	₹43/- per point per month
(iii)	Double 2 ft 20 watts	₹43/- per point per month
(iv)	Double 4 ft 40 watts	₹68/-per point per month

SVIII.4.2 Category-B

Where the initial installation and subsequent replacement of complete street light fittings shall be done at the cost of the licensee and initial installation & subsequent replacement of lamps shall be done at the cost of Street Lighting consumers i.e. lamps to be supplied by the consumer, the line maintenance and lamp renewal charges shall be as under:-

SVIII.4.2.1 Ordinary/CFL/LED lamps

Lamps up to 150 watts	₹14/- per lamp per month
Lamps above 150 watts	Special quotation and special lamps

SVIII.4.2.2 Mercury/Sodium Vapour lamps

(i)	Lamps of 80 watts	₹29/- per lamp per month
(ii)	Lamps of 125 watts	₹36/- per lamp per month
(iii)	Lamps of 250 watts	₹63/- per lamp per month
(iv)	Lamps of 400 watts	₹68/-per lamp per month

SVIII 4.2.3 Fluorescent tubes

(i)	Single 2 ft 20 watts	₹23/- per point per month
(ii)	Single 4 ft 40 watts	₹40/- per point per month
(iii)	Double 2 ft 20 watts	₹39/- per point per month
(iv)	Double 4 ft 40 watts	₹61/-per point per month

SVIII.4.3 Category-C

Where the initial installation of complete street light fittings and lamps as well as their subsequent replacement shall be done at the cost of Street Lighting consumer i.e. fittings and lamps to be supplied by the consumer, the line maintenance and lamp renewal charges shall be as under:-

SVIII.4.3.1 Ordinary/ CFL/LED lamps

Lamps up to 150 watts	₹11/- per lamp per month
Lamps above 150 watts	Special quotation and special lamps

SVIII.4.3.2 Mercury/Sodium Vapour lamps

Lamps of 80,125, 250 and 400 watts	₹13/- per lamp per month

SVIII.4.3.3 Fluorescent tubes

(i)	Single 2 ft 20 watts	₹ 13/- per point per month
(ii)	Single 4 ft 40 watts	₹ 13/- per point per month
(iii)	Double 2 ft 20 watts	₹ 13/- per point per month
(iv)	Double 4 ft 40 watts	₹ 13/-per point per month

Note: Where the work of lamp renewal/replacement is being carried out by the local bodies, the charges pertaining to line maintenance and lamp renewal/ replacement shall be shared by licensee and the Municipal Corporation/ Committee/Council/Panchayat in the ratio of 50:50.

SVIII.4.4 Category-D

Where the initial installation of complete street light fittings and lamps as well as subsequent replacement of fittings shall be carried out at the cost of Street Lighting consumer but the replacement of fluorescent tubes shall be done at the cost of the licensee i.e. fluorescent tubes to be supplied by the licensee, the line maintenance and fluorescent tube replacement charges shall be as under:

(i)	Single 2 ft 20 watts	₹16/- per point per month
(ii)	Single 4 ft 40 watts	₹16/- per point per month
(iii)	Double 2 ft 20 watts	₹18/- per point per month
(iv)	Double 4 ft 40 watts	₹21/-per point per month

SVIII.5 Rebate to Village Panchayats

For Street Lighting supply to Village Panchayats, a rebate of twenty five percent over the standard tariff (i.e. energy charges and line maintenance and lamp renewal charges under all categories) shall be admissible.

SVIII.6 Annual Minimum Charges (AMC)

If the total number of units consumed in the whole year (financial year) are less than those which would have been consumed if the lamps had been lit on an average of eight hours per day for the whole year, the licensee shall charge for the difference between the stipulated units and units actually consumed at tariff rates. The units which would have been consumed in a financial year shall be calculated on the basis of 70% of the sanctioned load or connected load detected, whichever is higher. The annual minimum charges shall be exclusive of line maintenance and lamp renewal charges.

SIX SCHEDULE OF TARIFF FOR RAILWAY TRACTION (RT)

SIX.1 Availability

Available to the Railways for traction load.

SIX.2 Character of Service

Alternating Current, 50 cycles/second, Single/Two/Three Phase 132 kV/220 kV as specified in the Supply Code 2014, depending upon the availability of bus voltage and transformer winding capacity at the feeding sub-station wherever possible at the discretion of the distribution licensee.

SIX.3 Tariff

Energy Charges (paise/kVAh)	MMC (₹/kVA)
655	314

Energy charges shall be without prejudice to levy of monthly minimum charges.

Note : Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SIX.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SIX.4 Contract Demand and Demand Surcharge

SIX.4.1 The contract demand means the maximum demand in kVA for which distribution licensee undertakes to provide facilities from time to time. The railways shall intimate the contract demand for sanction and the same shall be taken as connected load. Demand surcharge shall be levied @ ₹750/- per kVA on the excess demand irrespective of number of defaults.

This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand for billing purposes shall be computed as per clause 16 of General Conditions of Tariff as amended from time to time. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SIX.4.2 Compensation for damage

Any consumer who exceeds his sanctioned contract demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipments or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without giving any notice to the consumer.

SIX.5 Single Point Delivery

The above tariff is based on the supply being given through a single delivery & metering point and at a single voltage. Supply at any other point or at other voltage shall be separately metered and billed.

SX. SCHEDULE OF TARIFF FOR TEMPORARY METERED SUPPLY (TM)

Availability

Temporary supply shall be permitted to an applicant as per Supply Code 2014 for a period as per applicant's request, but not exceeding two years in the first instance. However, the distribution licensee may extend such supply on an application by the consumer.

SX.1 Tariff for Domestic and Non-Residential Supply

SX.1.1 Availability

Temporary supply shall be permitted on an application to domestic and non-residential supply applicants (excluding touring cinemas).

SX.1.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2014.

SX.1.3 Tariff

	Description	Energy Rate	MMC
SX.1.3.1	Domestic (for Loads not exceeding 100 kW)	1139 paise/kWh	₹965 or ₹192/kW whichever is higher
SX.1.3.2	Domestic (for loads/ demand above 100 kW/kVA)	1048 paise/kVAh	₹965 or ₹173/kVA whichever is higher
SX.1.3.3	Non Residential Supply (for Loads not exceeding 100 kW)	1139 paise/kWh	₹1932 or ₹484/kW whichever is higher
SX.1.3.4	Non Residential Supply (for loads/ demand above 100 kW/kVA)	1048 paise/kVAh	₹1932 or ₹436/kVA whichever is higher

Rate as approved by the Commission shall be charged for entire consumption without prejudice to levy of monthly minimum charges.

Note : Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SX.1.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SX.1.3.5 Voltage surcharge/rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SX.1.4 Load/ Demand Surcharge

SX.1.4.1 Load Surcharge

SX.1.4.1.1 For loads upto 100 kW

If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at the rate of ₹1000/- per kW or part thereof for each default. This load surcharge shall be without prejudice to the licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However, if unauthorized extension is up to 10% of sanctioned load, the consumer shall pay load surcharge and the connection shall not be disconnected. The unauthorized load so detected shall either be removed or got regularized by the consumer.

SX.1.4.1.2 For loads above 100 kW

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SX.1.4.2 Demand Surcharge for exceeding the contract demand

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SX.1.4.3 Compensation for damage

Any consumer who exceeds his sanctioned load/demand shall be liable to compensate the licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the licensee may also cause the service of the consumer to be disconnected without any notice.

SX.2 Tariff for Temporary Small, Medium and Large Industrial Power Supply

SX.2.1 Availability

Temporary supply shall be permitted to all industrial consumers for loads including pumps for dewatering in case of floods on an application as per applicant's request.

SX.2.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2014.

SX.2.3 Tariff

<table>
<tr><th>Description</th><th>Energy Rate</th><th>MMC</th></tr>
<tr><td>SP</td><td>585 paise/kWh + 100%</td><td>₹774/kW</td></tr>
<tr><td>MS</td><td>587 paise/kVAh + 100%</td><td>₹697 per kVA</td></tr>
<tr><td rowspan="2">LS</td><td>614 paise/kVAh + 100%
(For General Industry)</td><td rowspan="2">₹697/kVA</td></tr>
<tr><td>633 paise/kVAh + 100%
(For PIU/Arc Furnace)</td></tr>
</table>

The energy charges shall be without prejudice to levy of monthly minimum charges.

Note : Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SX.2.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SX.2.3.1 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SX.2.4 Factory Lighting

SX.2.4.1 In case of temporary supply to Large Industrial Supply, Medium Supply & Small Power consumers, the bonafide factory lighting and motive/ Industrial power consumption shall be measured through one and the same meter and charged at the relevant industrial tariff as per para SX.2.3 of this Schedule.

SX.2.5 Load/Demand Surcharge

In case a temporary supply consumer covered under this schedule exceeds his sanctioned load/contract demand at his premises, the consumer shall be levied load/demand surcharge at double the rates as applicable under relevant schedule for permanent supply.

SX.2.6 Compensation for damage

Any consumer who exceeds his sanctioned load/demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SX.3 Tariff for Wheat Threshers

SX.3.1 Availability

Available for threshing of wheat for the period between April, 1st to June, 30th.

SX.3.2 Character of Service

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2014.

SX.3.3 Tariff

Description	Energy Rate	MMC
SP	585 paise/kWh + 100%	₹774/kW
MS	587 paise/kVAh + 100%	₹697 per kVA
LS	614 paise/kVAh + 100%	₹697/kVA

The Energy charges shall be without prejudice to monthly minimum charges.

Note: Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SX.3.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SX.3.3.1 Voltage surcharge/rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SX.3.4 Load/Demand Surcharge

In case a temporary supply consumer covered under this schedule exceeds his sanctioned load/contract demand at his premises, the consumer shall be levied load/demand surcharge at double the rates as applicable under relevant schedule for permanent supply.

SX.3.5 Compensation for damage

Any consumer who exceeds his sanctioned load/demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SX.4 Tariff for Fairs, Exhibitions, Melas and Congregations

SX.4.1 Availability

Available for temporary loads of Fairs, Exhibitions, Melas and Congregations.

SX.4.2 Character of Service

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2014.

SX.4.3 Tariff

Description	Energy Rate	MMC (₹)
HT	609 paise/kVAh + 50%	₹7730 per service
LT	635 paise/kVAh + 50%	

The Energy charges shall be without prejudice to the levy of monthly minimum charges.

Note: Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SX 4.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SX.4.3.1 Voltage Surcharge/Rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SX.4.4 Load/ Demand Surcharge

SX.4.4.1 No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SX.4.4.2 Demand Surcharge for exceeding the contract demand

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA or the rate approved by the commission from time to time, on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee’s right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SX.4.4.3 Compensation for damage

Any consumer who exceeds his sanctioned contract demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the licensee may cause the service of the consumer to be disconnected without any notice to the consumer.

SX.5 Tariff for Touring Cinemas

SX.5.1 Availability

SX.5.1.1 Available to all touring cinemas, theatres, circuses etc. However, supply shall be given separately for general loads (Lights/fans and motive loads).

SX.5.1.2 The connection shall be sanctioned in the first instance for the entire period of validity of license or for the period requisitioned for, whichever is less.

SX.5.2 Character of Service

Alternating Current, 50 cycles/second, Single Phase 230 volts or Three Phase 400 volts or 11 kV or higher voltage as specified in the Supply Code 2014.

SX.5.3 Tariff

The energy charges shall be without prejudice to the levy of monthly minimum charges.

	Description	Energy Rate	MMC
SX.5.3.1	Lights and fans	1139 paise/kWh	₹1932 or ₹484/kW or ₹436/kVA of sanctioned load/ demand whichever is higher.
SX.5.3.2	Motive load: SP MS LS	 585 paise/kWh + 100% 587 paise/kVAh + 100% 614 paise/kVAh + 100%	

Note: Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SX 5.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SX.5.3.3 Voltage surcharge/rebate

The voltage surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SX.5.4 Load/ Demand Surcharge

SX.5.4.1 Load Surcharge

SX.5.4.1.1 For loads up to 100 kW

If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at the rate of ₹1000/- per kW or part thereof for each default. This load surcharge shall be without prejudice to the licensee's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However, if unauthorized extension is up to 10% of sanctioned load, the consumer shall pay load surcharge and the connection shall not be disconnected. The unauthorized load so detected shall either be removed or got regularized by the consumer.

SX.5.4.1.2 For loads above 100 kW

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SX.5.4.2 Demand Surcharge for exceeding the contract demand

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee’s right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SX.5.4.3 Compensation for damage

Any consumer who exceeds his sanctioned connected load/demand shall be liable to compensate the licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SXI <u>SCHEDULE OF TARIFF FOR AP HIGH TECHNOLOGY/HIGH DENSITY FARMING SUPPLY</u>

SXI.1 Availability

Available for High Technology green house farming and High Density AP farming.

The AP (High Technology) Supply shall be subject to fulfilling the conditions as mentioned at SXI1.1, 1.2 & 1.3 whereas High Density AP Supply shall be subject to conditions mentioned at SXI1.4

SXI.1.1 Setting up a green house with a minimum area of 2000 sq. metres.

SXI.1.2 Production of certificate from Director/Agriculture and/or Director/Horticulture or any other officer authorized by the Govt. of Punjab, to the effect that the farming being carried out by the consumer involves use of high technology requiring power supply to produce quality products such as vegetables/ fruits/seeds/flowers etc., to meet the standards of domestic/International markets.

SXI.1.3 A distribution licensee shall take necessary steps to annually verify that all consumers continue to fulfil the obligations as above for coverage under this category. In the event of a consumer ceasing to fulfil these obligations, connection released shall be disconnected after giving at least 15 days notice.

SXI.1.4 The farmers opting for High Density Farming supply shall furnish a certificate from Director/Agriculture and/or Director/Horticulture department to the effect that farming being carried out by the applicant is covered under High Density farming as per the State Government policy.

SXI.2 Character of Service

Alternating Current, 50 cycles/second, Three phase 400 volts for loads not exceeding 100 kW and 11 kV or higher voltage supply for loads above 100 kW as specified in the Supply Code 2014.

SXI.3 Tariff

Energy Rate	MMC (₹)
458 paise/kWh	Not Applicable

Note:

i) Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SXI.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

ii) Peak load restrictions and monthly minimum charges shall not be applicable to connections released under this category.

SXI.3.1 Voltage Surcharge/Rebate

Voltage Surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SXI.4 The provisions of Regulation 9 of the Supply Code 2014 shall be applicable for the release of a connection under this category. Connections with a load of more than 100 kW shall be released at 11 kV. An independent feeder shall be provided at the consumer's expense if uninterrupted supply is required. Connection with a load not exceeding 100 kW may be released from AP feeder or category-1 or UPS feeder at the option of the consumer, subject to the technical feasibility to release such connection. However, the consumers opting for supply from agriculture feeders shall be entitled to limited hours of supply as per power supply schedule applicable to AP consumers. Only metered supply shall be admissible under this category.

SXI.5 Load Surcharge

SXI1.5.1 If the connected load of a consumer exceeds the permissible limits over and above the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at an additional rate of ₹1000 per kW or part thereof for each default. This load surcharge shall be without prejudice to the distribution licensee right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. If the unauthorized extension is up to 10% of the sanctioned load, the consumers shall be required to pay load surcharge and connection shall not be disconnected. The unauthorized load so detected shall either be removed or got regularized by the consumer.

SXI.1.5.2 Compensation for damage

Any consumer who exceeds his sanctioned connected load shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SXI.6 Power Factor Surcharge/Incentive

Consumers shall be required to maintain a monthly average power factor of 0.90. The monthly average power factor shall mean the ratio of total kWh to total kVAh supplied during the month. The ratio shall be rounded up to two decimal points.

SXI. 6.1 Low Power Factor Surcharge

If the monthly average power factor falls below 0.90, the consumer shall pay on the bill amount a surcharge of 1% for each 0.01 decrease in the monthly average power factor below 0.90. The surcharge shall be 2% for each 0.01 decrease of monthly average power factor below 0.80.

SXI.6.2 Power Factor Incentive

If the monthly average power factor exceeds 0.90, incentive @ 0.25%, for each increase of 0.01 above 0.90 shall be allowed on the bill amount.

SXI.6.3 For the purpose of power factor surcharge & incentive, the bill amount will mean the consumption charges in a month. The bill amount for power factor surcharge & incentive shall also include the surcharge or rebate as applicable under para SXI.3.1 of this schedule.

SXII. SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY TO COMPOST PLANTS/SOLID WASTE MANAGEMENT PLANTS FOR MUNICIPALITIES/ URBAN LOCAL BODIES

SXII.1 Availability

Available for Industrial/motive loads of compost plants/solid waste management plants including pumps etc., for Municipalities/Urban Local Bodies. The connections shall be released under this category as per terms and conditions applicable to industrial consumers.

SXII.2 Character of Service

Alternating Current, 50 cycles/second, Three Phase 400 volts or 11 kV or higher voltage as per Supply Code 2014 depending on quantum of demand. In case of consumers with load not exceeding 100 kW, the Contract Demand shall not exceed 100 kVA. For loads exceeding 100 kW, the Contract demand shall be above 100 kVA.

SXII.3 Tariff

Energy Rate	MMC (₹)/kVA
458 paise/kWh	47

Note :

i) Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SXII.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

ii) The consumers covered under this schedule shall be exempted from peak load hours restrictions and no PLEC shall be charged.

iii) The energy charges as mentioned above shall be without prejudice to levy of monthly minimum charges.

SXII.3.1 Voltage Surcharge/Rebate

Voltage Surcharge/rebate shall be applicable as per clause 13 of General Conditions of Tariff, as amended from time to time.

SXII.4 Power Factor Surcharge/Incentive

The monthly average power factor of the plant owned by the consumer shall not be less than 0.90.The monthly average power factor shall mean the ratio of total kWh to total kVAh supplied during the month. The ratio shall be rounded up to two decimal figures.

SXII. 4.1 Power Factor Surcharge

If the monthly average power factor falls below 0.90, the consumer shall pay on the bill amount a surcharge of 1% for each 0.01 decrease in the monthly average power factor below 0.90. The surcharge shall be 2% for each 0.01 decrease of monthly average power factor below 0.80.

SXII.4.2 Power Factor Incentive

If the monthly average power factor exceeds 0.90, incentive @ 0.25% for each increase of 0.01 above 0.90 shall be allowed on the bill amount.

SXII.4.3 For the purpose of power factor surcharge & incentive, the bill amount will mean the consumption charges including demand charges, if any, in a month but not the bill amount payable on monthly minimum charges. The bill amount for power factor surcharge & incentive shall also include the surcharge or rebate as applicable in accordance under para SXII.3.1 of this schedule.

SXII.5 Load/Demand Surcharge

SXII.5.1 Load Surcharge

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SXII.5.2 Demand Surcharge for exceeding the contract demand

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee’s right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SXII.5.3 Compensation for damage

Any consumer who exceeds his sanctioned connected load/demand shall be liable to compensate the distribution licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the distribution licensee may also cause the service of the consumer to be disconnected without any notice to the consumer.

SXIII. <u>SCHEDULE OF TARIFF FOR START UP POWER</u>

SXIII.1 Availability

Available to Generators/CPPs, who seek supply for start up power for pre-commissioning or planned/forced outages.

This power shall also be available to generators/CPPs connected to CTU grid with proper accounting.

SXIII.2 Character of service

Alternating Current, 50 cycles/second, Three Phase 11kV or higher voltage.

SXIII.3 Tariff

Energy Rate	MMC (₹)
614 paise/kVAh	Not Applicable

SXIII.4. Demand Surcharge

The Demand Surcharge for exceeding the Contract Demand shall be as applicable to Large Supply Industrial Consumers (General).

SXIII.5. Terms and Conditions

SXIII.5.1 The Contract Demand for supply for start up power shall not exceed 15 % of the rated capacity of the unit with highest rating in the power plant.

SXIII.5.2 CPPs shall be governed by terms and conditions as specified in PSERC (Harnessing of Captive Power Generation) Regulations, 2009.

SXIII.5.3 The Condition for minimum monthly charges shall not be applicable to the generators.

SXIII.5.4 The generators shall be exempted from peak load hours restrictions and no PLEC shall be charged.

SXIII.5.5 The generator shall execute an agreement with the distribution licensee for meeting the requirement for start up power incorporating above terms and conditions.

SXIV. SCHEDULE OF TARIFF FOR CHARITABLE HOSPITALS SET-UP UNDER PERSONS WITH DISABILITY (EQUAL OPPORTUNITIES, PROTECTION OF RIGHTS AND FULL PARTICIPATION), ACT 1995.

SXIV.1 Availability

Available to Charitable Hospitals set-up under Persons with Disability (Equal Opportunities, Protection of Rights and Full Participation), Act 1995.

SXIV.2 Character of Services

Alternating Current, 50 cycles/second, three phase 400 volts for load not exceeding 100 kW as specified in Supply Code 2014. For loads exceeding 100 kW, the contract demand shall be above 100 kVA and supply shall be given at 11 kV or higher Voltage as specified in the Supply Code 2014 depending on quantum of load/contract demand and availability of bus voltage and transformer winding capacity at the feeding sub-station.

SXIV.3 Tariff

	Energy Rate	MMC (₹)
SXIV.3.1	452 Paise per kWh for load not exceeding 100 kW.	52 per kW
SXIV.3.2	416 Paise per kVAh for total load/demand exceeding 100 kW/kVA	47 per kVA.

Energy charges shall be without prejudice to levy of monthly minimum charges.

Note : Fuel cost adjustment (FCA) charges for the relevant period shall be applicable in addition to the tariff determined as per para SXIV.3 in accordance with clause 8 of General Conditions of Tariff, as amended from time to time.

SXIV.4 Load/ Demand Surcharge

SXIV.4.1 Load Surcharge

SXIV 4.1.1 For loads up to 100 kW

If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at the rate of ₹1000 per kW or part thereof for each default. This load surcharge shall be without prejudice to the Licensee’s right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However if unauthorized extension is up to 10% of sanctioned load, the consumer shall pay load surcharge and the connection shall not be disconnected. The unauthorized load so detected shall either be removed or got regularized by the consumer.

SXIV.4.1.2 For loads above 100 kW

No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load. However, the installation of extra load shall conform to CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and statutory clearances wherever applicable shall be obtained by the consumer.

SXIV.4.2 Demand Surcharge for exceeding the contract demand

If the consumer in a month exceeds the sanctioned contract demand, demand surcharge shall be charged at a rate of ₹750/- per kVA on excess demand irrespective of number of defaults. This demand surcharge shall be without prejudice to the distribution licensee’s right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his contract demand.

In the event of MDI being defective, maximum demand shall be computed as per clause 16 of General Conditions of Tariff. In case computed maximum demand is more than the sanctioned contract demand, no surcharge for demand consequent to this computation shall be levied.

SXIV.4.3 Compensation for damage

Any consumer who exceeds his sanctioned load/demand shall be liable to compensate the Licensee for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the Licensee may also cause the service of the consumer to be disconnected without any notice to the Consumer.

ANNEXURE-III

LIST OF OBJECTORS

Objection No.	Name & address of Objector
1	Smt. Jawala Devi Memorial Trust, Sanghol
2	Chief Electrical Distribution Engineer, Northern Railway
3	Sh. Amar Singh, President, Society for Justice (Regd.), Rajpura
4	Cycle Trade Union, Ludhiana
5	Sh. R.C. Pahooja, PHD Chamber of Commerce and Industry, Chandigarh
6	Sh. H.N.Singhal, Nahar Industrial Enterprises Limited, Ludhiana
7	Director, HANSCO Iron and Steels Pvt. Ltd., Mandi Gobindgarh
8	Sh. Harinder Puri, Secretary, Steel Furnace Association of India (Punjab Chapter), Ludhiana.
9	Capt. S.S.Dhillon, IAS (Retd.), Chandigarh
10	Sh. R. L. Mahajan, Ludhiana
11	Sh. Inderjit Singh, Sr. Vice President, United Cycle & Parts Manufactures Association (UCPMA), Ludhiana
12	Sh. Kimti Rawal, President, Mahatar Sathi Jagriti Manch (Regd.), Ludhiana
13	Sh. P.P. Singh, Vice President (E&U), Nahar Fibers.
14	Sh. Bhushan Abbi, President, Moti Nagar United Factory Association
15	Sh. Avtar Singh, President, CICU, Ludhiana
16	Sh. Avtar Singh, President, CICU, Ludhiana
17	Sh. Gurmeet Singh Kular, FICO, Ludhiana
18	Dr. Satish Thaman, Member, Distt. Ludhiana West Sub-Division Grievances Redressal Committee
19	Sh. H.S. Sandhu, AVP (Works), Siel Chemical Complex.
20	Power Engineer Associates, Bathinda.
21	Sh. Satish Arora, President, Hotel, Restaurant & Resorts Association Punjab (Regd.), Bathinda
22	Consumer Awareness Group, Bathinda

Objection No.	Name & address of Objector
23	Sh. Nikhil Kapoor, Energy Controller, Indus Towers Ltd., Chandigarh
24	President, PSEB Engineer’s Association, Patiala
25	Sh. Gurmeet Singh Bhatia, (Retd. ARA)
26	Executive Officer, Municipal Council, Bhawanigarh
27	Sh. Vijay Talwar, Laghu Udyog Bharti (Punjab), Jalandhar
28	Govt. of Punjab

OBJECTIONS **ANNEXURE-IV**

Objection No. 1: Smt. Jawala Devi Memorial Trust, Sanghol

Issue No. 1: Implementation of Tariff Order FY 2014-15

PSPCL may be directed to comply with PSERC Tariff Order for FY 2014-15 for implementation of the following:

a) Conversion of metering from kWh to kVAh to DS and NRS consumers.
b) Increase in rebate from 15 paisa/kVAh to 20 paisa/kVAh to DS and NRS consumers getting supply at 11 kV.

Reply of PSPCL

Hon'ble Commission has made kVAh tariff applicable in Tariff Order for FY 2014-15 to DS and NRS categories of consumers having load more than 100 kW.

As per the documents attached by the objector, it is observed that sanctioned load is 76.98 kW. Now, as per Tariff Order for FY 2014-15 issued by Hon'ble Commission, the kVAh tariff is applicable to all consumers of Large Supply (General Industry), Large Supply (PIU/Arc Furnace), Bulk Supply (HT/LT), Railway Traction, Medium Supply, DS (load more than 100 kW) and NRS (load more than 100 kW) categories. Hence, conversion from kWh to kVAh tariff to all consumers of these categories does not require verification of load of the consumer.

View of the Commission

a) In view of the comments of PSPCL, kVAh tariff is not applicable to the objector during FY 2014-15.
b) PSPCL should give high voltage rebate as per Tariff Order for FY 2014-15, if admissible.

Issue No. 2: DS Tariff for JD Memorial trust

DS tariff may be applied to Smt. Jawala Devi Memorial Trust with regards to applicability clause SVI 1.5 of Tariff Order for FY 2014-15 (Volume II) as the trust is also getting exemption under Section 80 (G) of the Income Tax Act.

Reply of PSPCL

General Conditions of Tariff and Schedule of Tariff, Schedule SVI 1.5 regarding Domestic Supply (DS) provides as under:-

SVI 1.5 Supply to Govt. hospitals, primary health centres; civil dispensaries and hospitals run by charitable institutions covered under Section 80 (G) of the Income Tax Act.

It is clearly mentioned in the above clause that Domestic tariff is made applicable by Hon'ble PSERC to Hospitals run by charitable institutions under Section 80 (G) of the Income tax act and not to the educational institutes run by charitable institutions under Section 80 (G) of the Income tax act.

View of the Commission

The Commission agrees with reply of PSPCL.

Objection No. 2: Chief Electrical Distribution Engineer, Northern Railway

Issue No. 1: Traction tariff

The existing energy charges for traction tariff of ₹6.51/kVAh are not justified because the average projected cost of power purchase of PSPCL for FY 2015-16 from all the sources works out as ₹4.25 per unit. The average unit rate for traction tariff considering all the factors like FSA, service charge, meter rent, etc. is about ₹6.32/unit in Punjab. The traction tariff should be reduced suitably and brought it at level at least lower than tariff for HT Bulk supply and or at par with traction tariff in Uttarakhand/Himachal Pradesh.

Issue No. 2: Cross Subsidy for Railway Traction

Cross subsidy for railway traction as approved by Hon'ble Commission in Tariff Order for

FY 2014-15 is still high at 13.66% compared to HT Bulk consumers as 9.71%. Hon’ble Commission is requested to further reduce cross subsidy for traction tariff in accordance with and bring it to a level prescribed in the clause 8.3 of National Tariff Policy.

Reply of PSPCL on Issue No. 1 & 2

The average power purchase cost is estimated at ₹4.26 per unit for FY 2015-16. This cost of power increases every year for reasons beyond control of PSPCL. For supplying power to the consumers, the dependence is mainly on Thermal Generation in the State as well as purchase of power from Central Generating Stations and IPPs. Punjab being at farthest end from coal mines and dependent mainly on Thermal Generation, cost of power remains at a higher level compared to Southern states. Further, Railway traction tariff for the year 2014-15 was fixed at ₹6.51/unit for the following reasons:-

1. Load is of fluctuating nature and spare capacity is required to be maintained at grid S/S for meeting the load of railways.
2. Unlike large supply industrial consumers, no peak load restrictions are applicable to railway traction load.
3. Independent 132 kV & 220 kV feeders have been provided for better continuity of supply to the railways.
4. The traction load of railways generates harmonics in the system, stressing windings of power transformers & additional losses as well.
5. No power cut is applicable to the railway traction loads when power shortage is experienced during paddy season (July to Sept).

Railways have always been given preferential treatment by PSPCL considering public utility service. In view of this position, reduction of tariff shall not be possible. Tariff for railways is in fact lower than other industrial consumers as per above facts. The determination of tariff depends on the average cost of supply which includes not only power purchase cost but also the other expenses like O&M expenses, depreciation, Interest charges, etc. The Hon’ble Commission in Tariff Order for FY 2014-15 has determined the tariff after considering the increase in average cost of supply from ₹5.73 per unit to ₹5.88 per unit. The determination of tariff structure and applicability is prerogative of the Hon'ble Commission only.

As regards cross-subsidy, in accordance with Para 8.3 of National Tariff Policy, it is to be noted that the tariff fixed for railways in last Tariff Order is within ± 20% of cost of supply. It can be observed from Table 9.4 in Tariff Order for FY 2014-15 that the cross subsidy for railway traction tariff has been reduced in revision of tariff.

Further, Hon'ble Commission is already taking steps to reduce the level of cross subsidy in every tariff revision and the same principle will be followed while deciding tariff for the year 2015-16.

View of the Commission

The Commission agrees with the reply of PSPCL. Also refer to para 7.2 & 7.3 of this Tariff Order.

Issue No. 3: T&D Losses

Hon’ble Commission is requested to approve T&D losses below 16% for FY 2015-16 as Hon’ble Commission has already approved T&D loss of 16% in Tariff Order for FY 2014-15. PSPCL should also make extra efforts to reduce T&D losses & its benefit should be passed on to the consumers by way of reduction in tariff.

Reply of PSPCL

Punjab is one of States in the Country having the lowest T&D losses. PSPCL has been able to achieve substantial reduction in T&D losses from above 25% in previous years to 16.77% in FY 2012-13 and 16.89% in FY 2013-14. Considering the geographical spread of the service area and consumer base of PSPCL, it is indicative of the efficient performance of the PSPCL. PSPCL is taking measures to reduce T&D losses by:

a) Augmentation of LT & 11kV lines.
b) Installing new distribution transformers at load centres.

c) Providing 220/132/66 kV substations to meet with increased demand of power as well as reduction of T&D losses.

PSPCL has also been consistently working towards curtailing theft, pilferages etc.

Hon'ble Commission is aware of loss reduction targets for losses less than 16% require huge capital investment. The efforts to reduce losses below these levels would require huge investments and appropriate cost benefit analysis is essential as return in the form of loss reduction may not justify the investments in certain cases. Thus the losses are projected to reach 16% during FY 2015-16 is quite reasonable. The Hon'ble Commission should view the past trends of T&D losses of PSPCL; the efficiency improvements actually made and accordingly approve the T&D loss targets.

View of the Commission

Refer to para 4.2 of this Tariff Order.

Issue No. 4: Additional Charges for Maximum demand in excess of the contracted demand

The payment of penalty charges on over-drawl of power should be withdrawn or else it should be permitted at least 10% of over and above Contract demand for short duration before applying the clause of load violation charges.

Reply of PSPCL

The contract demand was sanctioned for railway traction loads as per requirement and given in the Agreement forms and the same was sanctioned by PSPCL. Railways should keep the actual demand within limits; otherwise they may apply for sanction of extension in load/demand to PSPCL. Penalty to draw excess demand is uniformly applicable to all the LS industrial, Bulk supply & Railways and its withdrawal shall not be possible as over drawl affects other categories of consumers and grid discipline has to be maintained to avoid its collapse.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 5: Incentive for High Power Factor

Hon'ble Commission is requested to reinstate the incentive for maintaining high power factor rebate for railway traction category as railways has incurred substantial amount in the provisions of capacitor banks and attaining the power factor level of 0.95 and above.

Reply of PSPCL

PSPCL had submitted the kVAh tariff proposal to charge consumers on KVAh consumption basis and with this system; the consumer will be benefited in billing attaining higher power factor and shall get compensated automatically due to lesser KVAh consumption. Accordingly, Hon'ble Commission introduced kVAh tariff in tariff Order for FY 2014-15. The consumers like Railways who have already spent huge amounts to keep their power factor at 0.95 and above, will have an added advantage as they already have the resources to maintain the higher power factor. So, without spending much on the power factor improvement, their billable consumption will also be reduced with kVAh tariff.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 6: Revenue gap

The revenue gap of ₹11317.78 crore as projected by PSPCL upto FY 2015-16 should be supported by Govt. subsidy and tariff of genuine consumers like railway should not be hiked to cover the revenue gap.

Reply of PSPCL

As per Section 65 of the Electricity Act, 2003, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, pay the amount to compensate the person affected by the grant of subsidy. As per the current policy of the Government of Punjab, it is providing subsidy to PSPCL for compensating free power given to AP consumers, Domestic consumers belonging to SC category (with connected load up to 1000 watts) upto 200 units per month and Non-SC BPL Domestic Consumers (with connected load up to 1000 watts) upto 200 units per month. Further, it can be noted that providing the direct subsidy to any consumer or class of consumers is Government of Punjab‘s own discretion.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 7: Metering of Simultaneous Maximum Demand

Hon’ble Commission is requested to revisit the issue of simultaneous metering of maximum demand of all metering points while computing maximum demand charges.

Reply of PSPCL

As per the contracts signed for supply of power to Railways, the consumption as well as demand is metered and billed at every feeding point. The load/demand for each supply point has been sanctioned keeping in view of maximum demand applied by the Railways for each individual premise. As per existing system, there is no provision to record simultaneous maximum demand of multiple feeding substations supplying power to the railways.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 8: Incentive for Timely Payment

Some incentive for timely payment of energy bills may be considered for it.

Reply of PSPCL

PSPCL is already allowing grace period to all its consumers to pay the electricity bill within due date. As per the Tariff Order, the delayed payments attract payment of surcharge by the consumers. Railways may deposit advance payment for future bills and may avail interest @ 1% per month as per Regulation 31.8 of PSERC Supply Code Regulations, 2014.

View of the Commission

The Commission agrees with reply of PSPCL.

Issue No. 9: Provision for alternative supply arrangement for railway traction and levy of load violation charges

Whenever there is a supply failure from PSPCL, then till such time the supply failure persists, the instances of maximum demand exceeding contract demand due to feed extension of adjacent TSS being fed by PSPCL and vice-versa should be ignored and no load violation charges should be levied for that period.

Reply of PSPCL

The maximum demand data which is downloaded can give precise time of drawing higher load/demand vis-à-vis failure of supply from PSPCL end. Such situations are rare as continuity of supply is maintained for the Railway Traction giving it top priority. However, the demand put forth by the Railways shall be examined by CE/Commercial, for which separate case needs to be referred to for consideration. After its examination the proposal shall be referred to Hon'ble Commission for consideration/approval. In its normal procedure, whenever a shut down occurs on a substation, where a connection of railway traction exists, reading is taken and load is shifted to other substation. The reading is also taken in order to avoid MDI charges to Railway authority.

View of the Commission

The Commission agrees with reply of PSPCL.

Issue No. 10: Exemption from Payment of ACD/Security (Consumption)

Railway may be exempted from the payment of ACD/Security (Consumption) deposit and may be allowed for such payment in the shape of Letter of Assurance from RBI.

Reply of PSPCL

PSPCL is paying interest on the amount of Consumption Security recovered from its consumers as per provision of E.A. 2003; hence there appears no justification for its exemption. Further, it is not a recurring charge and is based on average consumption charges for the past 12 months. Further, it is to be noted that all the consumers without exception are required to deposit Security (Consumption) as per PSERC Supply Code Regulations, 2014.

View of the Commission

All the consumers without exception are required to deposit Security (consumption) as per PSERC (Electricity Supply Code & Related Matters) Regulation, 2014.

Issue No. 11: Single bill for Multiple Railway connections

A consolidated single bill can be issued incorporating consumptions of all such connections to Northern Railway for rationalization of bills and payments as this shall avoid passing of each and every bill and their delivery to different agencies and shall therefore, enable payment in time.

Reply of PSPCL

PSPCL has taken a note of the suggestion. However it is not related to the ARR/Tariff petition. For this the consumer can separately take up the matter with concerned authority of PSPCL.

View of the Commission

The issue does not relate to ARR. The objector may take up this issue separately with PSPCL.

Issue No. 12: Timeline for Connections

Time bound schedule may be formulated for release of new connections/ enhancement of load and revision of contract demand for Railways.

Reply of PSPCL

PSPCL has taken a note of the suggestions. However it is not related to the ARR/Tariff Petition. Further, Hon'ble Commission has notified time lines for various activities in its Supply Code Regulations as amended from time to time.

View of the Commission

The Commission has notified timelines for various activities including release of new connections, enhancement of load/demand in the Supply Code 2014.

Issue No. 13: Exemption for Testing Charges

Testing charges of energy meters should not be recovered from the Railways as Railways have their own Electrical Inspector to the Govt. of India and approval of Electrical Inspector is taken before charging the installations.

Reply of PSPCL

PSPCL has imposed the charges pertaining to the testing of energy meters by its own employees and no other extra charges have been levied. Further, PSPCL has been imposing the testing charges as per the applicable Schedule of charges as determined by Hon'ble Commission.

View of the Commission

The Commission agrees with reply of PSPCL.

Issue No. 14: Single part tariff for Railway's non-traction supply

Hon'ble Commission is requested to direct PSPCL to keep single part tariff for period FY 2015-16 for Railway's non-traction supply at the same rate in FY 2014-15.

Reply of PSPCL
PSPCL is levying the tariff as per the tariff structure and applicability as determined by Hon'ble Commission in the tariff Order for the respective year. The determination tariff structure and its applicability is the prerogative of the Hon'ble Commission as per Section 62 of the Electricity Act, 2003. PSPCL further requests the Hon'ble Commission to determine the tariff for Railways non-traction supply for FY 2015-16 based on petition submitted by PSPCL.
View of the Commission
Refer to para 5.2 of this Tariff Order.

Issue No. 15: Rebate for maintenance of network
Rebate of 15% should be given on total energy bills to Railways towards maintenance and operation of distribution network, billing, and metering, financial recovery and distribution losses.
Reply of PSPCL
The responsibility of maintaining the networks and electrical equipment beyond the metering point is that of consumer's. However, all the expenses related to maintenance of network before the metering point of the consumer, billing and metering have already been accounted in the applicable tariff by Hon'ble Commission.
View of the Commission
The Commission agrees with reply of PSPCL.

Objection No. 3: Sh. Amar Singh, President, Society for Justice (Regd.), Rajpura

Issue No. 1: Audited balance sheet
PSPCL has submitted audited balance sheet after lapse of two years thereby Hon'ble Commission is deprived of the valuable information in time.
Reply of PSPCL
Erstwhile PSEB was unbundled into two Companies i.e., PSPCL and PSTCL on 16 April, 2010 vide Government of Punjab Notification No. 1/9/08-EB(PR)/196 dated 16 April, 2010. The assets and liabilities were vested to PSPCL by Government of Punjab vide Notification No. 1/4/04-EB(PR)/620 dated 24 December, 2012. The first Annual accounts of PSPCL for year 2010-11 (from 16 April, 2010 to 31 March, 2011) were approved and accepted by shareholders in AGM on 17 October, 2013. Annual accounts of PSPCL for FY 2011-12 were approved and accepted by shareholders in AGM on 30 June, 2014.
Thereafter, accounts for FY 2012-13 were finalised and Statutory Auditor submitted audit report on 1 August, 2014. The accounts along with report of the Statutory Auditor were submitted to CAG and CAG conducted audit from 8 August, 2014 to 9 September, 2014. The CAG audit certificate is still awaited. Thereafter, the accounts for FY 2013-14 have been completed but the audit of Statutory Auditor is possible only on receipt of audit certificate form CAG of India.
As per Regulation 9 of PSERC Tariff Regulations, true-up can be undertaken only after audited annual accounts of the FY 2012-13 are made available. In view of this, the Hon'ble Commission in its Tariff Order of FY 2014-15 dated 22 August, 2014 decided to undertake the True up for the FY 2012-13 along with ARR Petition of FY 2015-16, when the audited annual accounts will be available. Accordingly, PSPCL has filed for truing up for FY 2012-13 in present petition as the audited accounts are available.
In view of the above, it is submitted that there is no delay or laxity in the finalisation of accounts on part of PSPCL and there was no loss of any information to Hon'ble Commission.
View of the Commission
The Commission has issued directive no. 6.18 to PSPCL for timely submission of Audited Annual Accounts.

Issue No. 2: Sale of Power

PSPCL has projected sale of 43466 MU for FY 2015-16. The gap of ₹6803.85 crore for FY 2014-15 and ₹11317.78 crore for FY 2015-16 indicates that purchase and sale is not balanced and PSPCL is losing money against each extra unit sale projected. Hon'ble Commission is requested to reverse such trend. Also, considering the average cost of supply at 637 paisa per unit, the minimum rate for any category with cross-subsidy of 20% shall not to be less than 510 paisa per unit.

Reply of PSPCL

The Aggregate Revenue Requirement (ARR) not only includes the purchase of power for the sales projected but also other expenses like O&M expenses, depreciation, interest expenses, etc. The revenue gap of ₹6803.95 crore for FY 2014-15 and ₹11317.78 crore for FY 2015-16 is arising out of the difference in ARR and estimated revenue realisation to PSPCL. The disallowance of such revenue gaps will lead to loss of revenue to PSPCL at each unit of sale. Further, as regards the cross subsidy, in the past Tariff Order for FY 2014-15, the cross subsidy level determined for each category is within ± 20% of the cost of supply.

View of the Commission

The Commission processes the ARR as per its notified Tariff Regulations and determines the gap after prudent check. Tariff of all categories of consumers are within ±20% of average cost of supply. Also refer to paras 7.2 & 7.3 of this Tariff Order.

Issue No. 3: Interest and Finance Charges

The projections of Interest and Finance Charges for FY 2015-16 of ₹2593.14 crore are very high compared to Interest and Finance Charges of ₹857 crore in FY 2007-08.

Reply of PSPCL

The interest and finance charges include the interest charges and finance charges for the loans taken for capital investment schemes and interest charges for working capital loan. Further working capital loans are taken for meeting the working capital requirements of PSPCL and funding the revenue gap/expenses disallowed by the Hon'ble Commission in past Tariff Orders. However, the Hon'ble Commission in Tariff Order allows interest on working capital on normative basis.

Considering the growth in past years (e.g. increase in sales from 30995 MU in FY 2007-08 to projected sales of 43666 MU for FY 2015-16), it is utmost important to consistently upgrade the power infrastructure including generation and T&D network in order to cope up with the increasing demand. In past years, PSPCL has undertaken Renovation and Modernisation in GNDTP, Bathinda and also implemented various T&D schemes for improving the performance of the network. As a result of this, PSPCL has able to achieve T&D losses level at 16.77% in FY 2012-13. Hence, the increase in interest and finance charges is justified on account of benefits accrued to the consumers in terms of reduction in losses.

View of the Commission

Interest and Finance charges are being allowed as per PSERC Tariff Regulations. Refer Para 3.14 and 4.14 of this Tariff Order.

Issue No. 4: Revenue gap

The Hon'ble Commission is requested that gap of ₹6803.85 crore for FY 2014-15 is required to be reduced in Tariff Order for FY 2015-16.

Reply of PSPCL

PSPCL has estimated revenue gap of ₹6803.85 crore at the end of FY 2014-15 which includes revenue gaps of past years i.e., revenue gap of ₹1946.31 crore for FY 2011-12, ₹1048.63 crore for FY 2012-13, ₹1039.44 crore for FY 2013-14, ₹1049.72 crore for FY 2014-15 and carrying cost for respective revenue gaps. Further, PSPCL requests the Hon'ble Commission to allow this revenue gaps submitted by PSPCL in present petition.

View of the Commission
The Revenue Gap is determined by the Commission after prudent check as per PSERC Regulations.

Issue No. 5: Carrying cost of Revenue Gap
PSPCL's financial health is deteriorating every passing year after referring to the increasing trend in carrying cost of ₹558.97 crore for FY 2013-14 to ₹1244.68 crore for FY 2015-16.
Reply of PSPCL
PSPCL has worked out the carrying cost based on the principles adopted by the Hon'ble Commission in last Tariff Order. PSPCL has calculated carrying cost at the rate of interest as per State Bank Advance Rate as on 1st April of the year on the accumulated gap till the year and for half year for the revenue gap during the year.
View of the Commission
Carrying cost, if any, is allowed on the Revenue Gap determined by the Commission after prudent check in line with PSERC Regulations. Refer Para 4.22 of this Tariff Order.

Issue No. 6: Delayed Government Subsidy
The delayed payments of Government subsidy is required to be eliminated as it results in raising of additional loans by PSPCL and passing on the interest load on the consumers.
Reply of PSPCL
Out of total amount of subsidy due from Government of ₹5237.32 crore for FY 2013-14, PSPCL has received the amount of ₹4815 crore (92% of total amount) and amount of ₹422.32 crore is pending. PSPCL viewed that timely payments of subsidy eases the burden on PSPCL. PSPCL continuously follows up with the Government of Punjab for release of subsidy payment. In case of late payments, PSPCL had timely brought out the facts before the Hon'ble Commission and the Hon'ble Commission has allowed interest payable by Govt. on delayed payment of subsidy in past Tariff Orders.
View of the Commission
The subsidy by GoP is to be paid in advance monthly instalments. In case of delay in payment of subsidy, interest is charged from GoP on delayed payment of subsidy.

Issue No. 7: Overdue payments by Government Departments
The overdue payments of ₹272.3 crore from various Government Departments are to be recovered early. The Commission is requested to facilitate the PSPCL in this regard.
Reply of PSPCL
PSPCL has taken rigorous efforts for recovery of pending dues from the Government Departments. Most of the pending dues are pertaining to high rank and essential services Government offices. Further, it is observed that Government Departments make payment as and when grant is received by them from the Government, which results in levy of DP charges and interest on arrears as per Tariff schedule. PSPCL is taking consistent follow up and is making best possible efforts to recover such pending dues from Government Offices.
View of the Commission
Refer to Directive no. 6.9 of this Tariff Order.

Issue No. 8: Equity Ratio
The dropping of equity ratio from 0.59 in FY 2011-12 to 0.48 in FY 2015-16 is leading towards deteriorating of financial health of PSPCL.
Reply of PSPCL
Disallowances to PSPCL in past years have resulted in cash flow constraints to PSPCL and increase in working capital requirements. As a result of this, PSPCL was not able to make an addition into equity in the past years and had to rely on the 100% debt for capital expenditure which in turn reduced the ratio of equity and loan.

View of the Commission
Ratio of Equity and Loan is kept in view as per provisions in PSERC Tariff Regulations.

Issue No. 9: Demand Side Management – Energy Conservation
Some relief under Bachat Lamp Yojana is required to be given by PSPCL to consumers by encouraging the consumers to opt for use of CFL or LED lamps. The conservation of energy in agriculture sector is being given thrust by installing energy efficient pumps. Hon'ble Commission is requested to direct PSPCL to have separate section to make the consumer aware regarding the energy conservation.
Reply of PSPCL
PSPCL is well aware of benefits of demand side management and has already taken steps for encouraging the energy conservation. Under Bachat Lamp Yojna, total 1638059 nos. of CFLs have been distributed in 493999 nos. of households and by replacing these lamps with CFLs energy saving target of 44.51 MU has been achieved. Moreover, PSPCL has already banned the use of ICLs in Govt. buildings and at the agriculture connection premises vide circular no. 2/2008.
Further, PSPCL has already signed MoU with BEE to make complete formation of DSM Plan for all categories of consumers for the state of Punjab and in this DSM Plan, potential of saving will be determined. Thereafter replacement of ICLs with CFLs/LEDs will be implemented accordingly after approval from PSERC.
Further, it is observed that consumer participation is equally important for success of DSM plan. PSPCL has already created a separate section which is responsible for facilitation and implementation of such DSM Plan. PSPCL appreciates the Objector's concerns regarding the conservation of energy.
View of the Commission
Refer directive no. 6.4 of this Tariff Order.

Issue No. 10: Load Rationalisation (SP & MS Consumers)
25% of connected load may be allowed to be used for trading area within the ambit of Small/Medium Industrial Supply. Further, provision of 10% overloading of the connected load may be enhanced to 25% of the connected load.
Also, the use of one power point for two machines may be allowed to Industrial consumer through change over switch and no prior sanction from any authority of PSPCL shall be required.
Reply of PSPCL
The objections are not related to present ARR petition filed before Hon'ble Commission. However, said objections are addressed in PSERC Supply Code Regulations, 2014.
As regards 25% connected load for trading use, it is submitted that as per PSERC Supply Code Regulations, 2014, one industrial connection is permissible in one premise. In case a consumer demarcates separate area with boundary wall, separate connection can be given under NRS category for trading purposes. No unauthorised use of supply is permitted as per PSERC Supply Code Regulations, 2014.
Regarding, the request to enhance the provisions of grace of 10% overloading of connected load to 25% of connected load, it is submitted that for MS consumers, the Hon'ble Commission has already introduced the methodology for sanctioned contract demand in its regulations.
For the use of one power point for two machines, change over switch is permissible to allow running of one machine only even though two machines have been installed. But load sanctioning authority of PSPCL is required to verify the test report and to seal an arrangement to avoid misuse of facility provided and to avoid any incident. The same has also been addressed in Regulation 4.5.2 of PSERC Supply Code Regulations, 2014.
View of the Commission
Separate NRS connection to carry out commercial activities has been allowed as per Schedule SI, SII & SIII of Tariff. Contract demand has been already been introduced for

MS consumers.

Objection No. 4: Cycle Trade Union, Ludhiana

Issue No. 1: Increase in tariff for all categories

The Commission is requested not to allow any increase in tariff as well as MMC charges to safeguard the interests of consumers as PSPCL has not demanded for increase in the tariff.

Reply of PSPCL

PSPCL has requested the Hon'ble Commission to take an appropriate view on the revenue gap proposed by PSPCL as per PSERC Tariff Regulations, 2005 while determining the tariff for FY 2015-16. It is further submitted that when input cost for generation of electricity gets increased, there is no other alternative except to increase of tariff justified as per increased cost. During the year 2015-16, the main input costs relating to cost of coal, cost of purchase of power from outside sources, establishment cost have gone up and estimates of the same have been given in the present petition.

There is nothing hidden from the consumers and public at large as the process followed by Hon'ble Commission is transparent and consumers are given every opportunity to present the facts in their objections. The figure of expenditure of various input costs are as supplied by different offices of PSPCL viz. power purchase, generation, distribution and accounts organization and the estimates are based on expected increase during the year 2015-16. It is incorrect to say that the expenditure details are inflated and unrealistic and may be changed as per convenience. In case there is any change in the expenditure figure, it shall be brought before the consumers. Hon'ble Commission approves each of the expenditure only after applying prudent check and interest of the consumers of all categories are also taken care off. Hence, it is required to increase the tariff so as to cope with the increasing input cost of supplying power to consumers.

View of the Commission

The Commission processes the ARR as per its notified regulations and determine the gap after prudent check of expenses. Also, refer para 7.2 of this Tariff Order.

Objection No. 5: Sh. R.C. Pahooja, PHD Chamber of Commerce and Industry, Chandigarh

&

Objection No. 6: Sh. H.N.Singhal, Nahar Industrial Enterprises Limited, Ludhiana

Issue No. 1: Increase in Revenue gap and cross subsidy

The revenue gap is increasing every year and indicates that figures are being inflated for determining revenue requirement. Also, the expenditure already denied by the Hon'ble Commission in previous Tariff Orders should not have been included in ARR. The Tariff for subsidized class of consumers including agriculture sector and other domestic consumers be increased suitably to keep their tariff in the range of 20% of the combined average cost of supply as well as voltage wise cost of supply for each category.

Reply of PSPCL

PSPCL has submitted the truing up for FY 2012-13 based on audited data which are actual expenses. While computing the revenue gap of ₹3348.62 crore for FY 2012-13 and opening balance of revenue gap of ₹1946.31 crore is considered which was already approved by Hon'ble Commission in Tariff Order for FY 2014-15. The expenses for FY 2013-14 are considered based on provisional accounts. Also, the methodology adopted by PSPCL for projecting the expenses for FY 2014-15 and FY 2015-16 is very well elaborated in the petition and is in line with the regulatory principles set by Hon'ble Commission and PSERC tariff Regulations. Hence, it would not be correct to say that the revenue gap figures are inflated. Also, PSPCL has not claimed any expenses which were disallowed by Hon'ble Commission in earlier Tariff Orders.

Further, PSPCL has requested the Hon’ble Commission to take an appropriate view on the revenue gap proposed by PSPCL as per PSERC Tariff Regulation, 2005 while determining the tariff for FY 2015-16.

There is nothing hidden from the consumers at large as the process followed by Hon'ble Commission for determination of Tariff is transparent and consumers are given every opportunity to present the facts in their suggestions and objections. The figures of expenditure of various input costs are based on actual data as supplied by different offices of PSPCL viz. power purchase, generation, distribution, accounts, etc. and the estimates are based on expected increase during FY 2015-16. It is incorrect to hold that revenue gap arising out of these expenses is inflated and unrealistic. In case there is any change in the figures of expenses, it shall be brought before the consumers. Hon'ble Commission approves each of these expenses only after applying prudent check and interest of the consumers of all categories is taken care of.

As regards the cross subsidy, the level of cross subsidy is determined by Hon’ble Commission. Further, determination of cross-subsidy level is prerogative of the Hon’ble Commission as per Electricity Act, 2003.

Further, Clause 8.3 of Tariff Policy states as under:

*"**8.3 Tariff design: Linkage of tariffs to cost of service***

. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify roadmap within six months with a target that latest by the end of year 2010-2011 tariffs are within ± 20 % of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy...."

As given in the Tariff Policy, there has to be reduction in cross-subsidy but gradually, keeping the interest of Utility in view. However as regards the element of cross subsidy, the same has come down progressively over the years. Hence in light of the same it is requested that while determining the tariff in conjunction with the cross subsidy factor, the Hon'ble Commission has also to keep in mind the interests of PSPCL.

View of the Commission

The Commission allows expenses after prudent check and in line with PSERC Regulations. Revenue Gap is determined by the Commission after allowing expenses and carrying cost thereon as per PSERC Regulations. Tariff of all categories of consumers are within $\pm$ 20% of the average cost of supply.

Issue No. 2: Agriculture Consumption

Power supplied to agriculture sector at subsidized rate needs to be capped year wise and power supplied above that limit should be billed as Cost of Supply worked out in ARR.

Reply of PSPCL

The increase in power consumption by agriculture tubewells is partly due to increase in the number of tubewells and partly due to weather conditions prevailing during paddy season of June to September. Government of Punjab is effectively pursuing its policy to reduce the area under paddy cultivation and increase in the area of maize and sugarcane cultivation to reduce electricity consumption by tubewells and drawing less water to sustain underground water level as well. The increase in cost of supply of power to agriculture category will lead to increase in subsidy payable by Government of Punjab as supply to agriculture tubewells is free as per policy of the Government.

Also, power is available to agriculture category for limited period of 8 hours; however, the industry consumers are availing 24x7 power supply considering their importance of usage. Hence, if industry category consumers are paying higher tariff, the quality and availability of supply is also much better than other category of consumers. Also, industry category consumers are also availing other benefits like kVAh tariff, ToD tariff, etc. which are not available for agriculture category of consumers.

View of the Commission

Presently the supply to AP consumers is un-metered. As such, capping of supply at subsidised rates may not be possible. The Commission is issuing directives to PSPCL in its Tariff Order for achieving 100% metering to comply with EA-2003.

Issue No. 3: Segregation of Transmission Loss

PSTCL should declare the boundary metering within 3 months and the actual losses of STU should be available w.e.f 1 April, 2015 and accounted for actual basis in the RE of FY 2015-16 in ARR of FY 2016-17.

Reply of PSPCL

The objection is not related to PSPCL. It is requested to seek reply from the PSTCL.

View of the Commission

PSTCL has intimated to the Commission that the overall transmission losses will be provided to the Commission by 30.6.2015 along with the data for at least six months.

Issue No. 4: Revenue from HP for Shanan Power

The revenue receivable/received from Himachal Pradesh (HP) for power being given from Shanan Power House and maintenance charges need to be indicated separately.

Reply of PSPCL

The power being given to Himachal Pradesh from Shanan Power House is on account of royalty payable to Himachal Pradesh.

View of the Commission

The information sought by the objector has not been supplied by PSPCL & the same may be furnished directly to the objector under intimation to the Commission.

Issue No. 5: Plant Availability Factor Incentive

Proposal of Incentive for PAF (Plant Availability Factor) and similar other claims need to be rejected by Hon'ble Commission and PSPCL should be directed to prepare ARR as per Regulations.

Reply of PSPCL

Regulation 20 and Regulation 37 of PSERC Tariff Regulations 2005 and as amended in 2009 states that while determining generation tariff, Commission shall be guided by CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time. Further, Regulation 21 of the CERC (Terms and Conditions of Tariff) Regulations 2009 has linked the recovery of fixed charges inclusive of incentive payable with the Normative Annual Plant Availability Factor (NAPAF) for each station.

Also, Hon'ble APTEL in its Judgement dated 11 September, 2014 in Appeal No. 174 of 2012 has decided in favour of PSPCL for incentive and requisite information as required for determination of incentive has already been submitted to Hon'ble Commission. Hence, incentive on account of higher Plant availability factor is to be determined by Hon'ble Commission.

View of the Commission

The Commission determines the incentive/disincentive as per PSERC Tariff Regulations**.**

Issue No. 6: Prior Period Expenses

Prior period expenses for power purchase cannot be scrutinized as no details are given for claiming these charges.

Reply of PSPCL

Details of prior period expenses for power purchase have already been submitted to the Hon'ble Commission in reply to deficiencies. It is requested to Hon'ble Commission to kindly allow prior period expenses as these are actual expenses.

View of the Commission

Refer to para 3.19 of this Tariff Order.

Issue No. 7: Delay in submission of audited data

PSPCL has not submitted the audited data for FY 2013-14. This delay in compiling the audited data for previous years leads to higher carrying cost of revenue gap for 2 years which is to be passed on to consumers. Hon'ble Commission is requested to initiate action against this laxity of PSPCL and violation of Regulations and the Act.

Reply of PSPCL

Refer to PSPCL reply on issue No. 1 Objection No. 3.

View of the Commission

Refer to view of the Commission on issue no. 1 of objection no. 3.

Issue No. 8: Interest on short term loans

Interest on short term loans to meet revenue shortfall arising out of non receipt of subsidy from Government, disapproval of expenses in past Tariff Orders, etc. should not be passed on to the consumers. Only those short terms loans which are taken for carrying on the activities related with the business of PSPCL should be charged to ARR and to be recovered from the consumers. Hon'ble Commission is requested to allow working capital on normative basis as per regulations and therefore funds parked with PSPCL by employees in the shape of GPF and by consumers in the shape of Advance Consumption Deposit (Security) should be used by PSPCL to meet the working capital and claim of PSPCL for interest on these two items as well as interest on actual amount of short term loans as claimed by PSPCL in ARR need to be rejected.

Reply of PSPCL

In the Tariff Order for FY 2014-15, the interest on working capital is allowed to PSPCL on normative basis as per PSERC Tariff Regulations. However, because of past disallowances and delay in payment of bills by the consumer, the working capital requirements of PSPCL have increased against the normative working capital. The working capital loans are taken for meeting the working capital requirements of PSPCL for carrying on the activities related to business of PSPCL only. It is submitted that any further increase in disallowances will lead to increase in short term loans and PSPCL has to face cash deficit. Further, PSPCL cannot fund its gap by the Advance Consumption Deposit and GPF of employees as it is liability to consumers and employees of the PSPCL and also approved by the Hon'ble Commission in past Tariff Orders.

PSPCL has no alternative but to meet the cash deficit through short-term borrowings. PSPCL thus, prays to the Hon'ble Commission to allow the interest on the above bridging loans.

View of the Commission

Interest on working capital loans have been allowed after prudent check and in line with PSERC Tariff Regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 9: Return on Equity

Hon'ble Commission is requested to re-determine the return on equity for all years from FY 2011-12 onwards in view of the Hon'ble APTEL Judgement dated 17 December, 2014 in Appeal No. 168 and 142 of 2013 and adjust the same in ARR for FY 2015-16 along with carrying cost.

Reply of PSPCL

Judgment in Appeal no. 168 and 142 of 2013 has been issued after filing the present petition before Hon'ble Commission. Aggrieved by this Judgement, PSPCL has filed an appeal before Hon'ble Supreme Court and the matter is sub-judice. Hence, PSPCL requests the Hon'ble Commission not to consider such re-determination of return on equity as the matter is sub-judice in higher court.

View of the Commission

Refer para 3.15 and 4.16 of this Tariff Order.

Issue No. 10: A&G expenses

A&G expenses of ₹30.61 crore pertaining to donation to the Cancer and Drug Addiction Treatment Infrastructure Fund should be disallowed in Tariff Order and should be met by PSPCL out of its profits.

Reply of PSPCL

₹30.61 crore pertaining to donation to the Cancer and Drug Addiction Treatment Infrastructure Fund is the actual expenses incurred by PSPCL in FY 2013-14. PSPCL Board in FY 2013-14 decided to donate annually to the Cancer & Drug Addiction Eradication fund of the Government of Punjab to make every person in the State of Punjab free from such ailments. This is in line with the notification of Government of Punjab dated 30/04/2013. The consumers should appreciate that PSPCL is undertaking this noble cause and it would also be for their benefit if the State of Punjab is free from such menace. Accordingly, it is proposed that the above expenditure claimed under this head for FY 2013-14 and FY 2014-15 be allowed as it is for a social cause and impact on tariff is negligible. However, the PSPCL in the present petition has claimed the A&G expenses on normative basis in line with Regulation 28 of the PSERC Tariff Regulations, 2005, as amended from time to time.

View of the Commission

The Commission is allowing A&G expenses as per PSERC (Terms & Conditions for Determination of Tariff) Regulations 2005. Refer para 3.12 and 4.12 of this Tariff Order.

Issue 11: High cost of power purchase

The actual rate of power purchase is always exceeding the rate approved by Hon'ble Commission.

Reply of PSPCL

For supplying power to the consumers, PSPCL takes power mainly from Thermal Generation in the state as well as purchase of power from Central Generating Stations and IPPs. This cost of power increases every year for reasons beyond control of PSPCL such as increase in coal cost, transportation cost and increase in tariff by CERC for CGSs etc.

Power purchase cost for FY 2012-13 of ₹3.77/kWh (₹7219.09 crore for 19161 MU purchase) has been submitted based on actual figures. As regards the purchase of power, it is submitted that in case of reduction in anticipated sales, the power purchase quantum is to be reduced which further reduces the energy charges, however, PSPCL has to pay fixed charges as per CERC Order (in case of CGSs), Hon'ble Commission's Order or PPA (in case of competitive bidding).

Further, the average power purchase cost of ₹4.18 per unit as approved by Hon'ble Commission in tariff Order for FY 2014-15 is re-estimated at ₹4.10 per unit. The average power purchase cost is estimated at ₹4.37 per unit for FY 2015-16. PSPCL has estimated the power purchase cost based on available tariff Orders for the generators and best available secondary information. PSPCL has been making the best possible efforts to optimize the power purchase cost. While estimating the power purchase cost, PSPCL has also considered the purchase based on merit order stack so as to optimize its cost. The additional energy available with PSPCL also envisaged for direct sale or sale through banking so as to minimize the power purchase cost.

View of the Commission

Refer to para 3.9 & 4.8 of this Tariff Order.

Issue No. 12: Over-estimation of loan requirement for capital expenditure

Though the efforts to upgrade the system through new investments are commendable, the capital expenditure submitted is on higher side in comparison to past experience. Hon'ble Commission is requested to look into investment projections for a realistic assessment and accordingly approve interest cost for FY 2014-15 and FY 2015-16.

Reply of PSPCL

PSPCL has claimed the expenses as per actual capital investment plan based on audited accounts. PSPCL is preparing the capital investment plan for upgrading the power infrastructure to cope up with increasing demand in the State and considering the aging of current power infrastructure. PSPCL providentially assessed the investment plan requirement for generating plants and T&D schemes. Further, it is submitted that PSPCL has already submitted the project-wise details of the capital investment plan proposed in the Petition to Hon'ble Commission for prudent check. The Hon'ble Commission will approve the capital investment plan and related expenses only after applying prudent check.

It is prayed that the Hon'ble Commission may approve the same and allow interest cost on the same so as to ensure power availability to all the consumers in the state and also efficiency improvements such as reduction in losses beyond targets are continued to be achieved.

View of the Commission

Capital Expenditure/Capital Investment plan has been approved after taking into account the actual expenditure during the past years/current year. The expenditure has been allowed after prudent check in line with PSERC Regulations. Refer para 3.14.2 and 4.14.2 of this Tariff Order.

Issue No. 13: Interest on Working Capital

PSPCL has also claimed interest of ₹149 crore for 2015-16 towards GPF amount of employees and similar amounts for previous years. Similarly, PSPCL has security deposit with them for which it has claimed interest charges of ₹180 crore. These amounts have also been used by PSPCL to meet the working capital and as such the factual working capital is much more than being reflected here. In this regard, PSERC may direct PSPCL to give clarity on where these amounts have been utilized or invested and interest charges should be allowed accordingly.

Reply of PSPCL

PSPCL has borrowed short term loans from the banks for meeting the working capital requirement. Earlier, PSPCL had been utilizing GPF for funding the capital assets and the same had been recognized by Hon'ble Commission while computing the diversion of funds. At present, PSPCL is depositing the GPF amount to GPF trust from 1 April, 2013 as per transfers' scheme, a statutory notification dated 24 December, 2012 issued by Government of Punjab. Hence, PSPCL is not utilizing the GPF for meeting its working capital requirement. As regards the consumer security deposit, as per the PSERC tariff Regulations, PSPCL is paying interest to the consumers and the same is approved by Hon'ble Commission in past tariff Orders and passed through ARR.

View of the Commission

Interest charges on working capital loans have been allowed as per PSERC Regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 14: CAG report for FY 2012-13

CAG Report for FY 2012-13 is still awaited, the true-up exercise for FY 2012-13 should be deferred.

Reply of PSPCL

Regulation 9 of PSERC Tariff Regulations, true-up can be undertaken only after audited annual accounts of the FY 2012-13 are made available. Further, PSPCL has submitted the True up based on the actual expenses and income as per the audited annual accounts for FY 2012-13. As CAG Audit report for the same period is still awaited, hence, deferring the true-up exercise for FY 2012-13 will further burden the consumer with the additional carrying cost which is not intend of PSPCL while filing the petition. PSPCL also submitted to Hon'ble Commission that CAG Audit report will be made available well before the finalization of the tariff Order for FY 2015-16.

View of the Commission

Refer to view of the Commission on issue no. 1 of objection no. 3.

Issue No. 15: T&D Loss

Objector has appreciated PSPCL for achieving 16.77% T&D losses in FY 2012-13 against approved 18% T&D Losses. However, PSPCL should explain how the cost recovery of huge loan taken for loss reduction will be affected and will not lead to debt increase.

Reply of PSPCL

PSPCL recognises the appreciation for achieving lower T&D losses in FY 2012-13. These lower T&D Losses are the result of the PSPCL's continual efforts to improve the operational efficiency. The capital investments done for reduction of T&D losses and allied expenses were duly approved by Hon'ble Commission in previous Tariff Orders after applying prudent check. Hence, the recovery of such loans taken will be done in accordance with expenses like depreciation, interest expenses, etc. approved by Hon'ble Commission.

View of the Commission

The Commission dis-incentivises PSPCL as per its notified Tariff Regulations, when PSPCL is not able to achieve the T&D losses fixed by the Commission for a particular year.

Issue No. 16: Claim of expenses on normative basis for FY 2012-13

PSPCL has requested for approval of normative expenses where the actual expenses are less than normative like A&G, etc in FY 2012-13. Hon'ble Commission is requested to follow regulations along with penalty of non-performance as per practice adopted for previous years.

Reply of PSPCL

PSPCL has claimed the R&M and A&G expenses as per Regulation 28 of PSERC Tariff Regulations, 2005, as amended from time to time. Hon'ble Commission in tariff Order of FY 2014-15 has approved R&M and A&G expenses as per audited accounts. PSPCL has already submitted that Hon'ble Commission while approving such expenses has taken an inconsistent approach and the methodology adopted of allowing the actual or normative, whichever is less, is an incorrect methodology and contrary to concept of normative wherein the benefit for overachievement should remain with the utility and decision of Hon'ble APTEL in the Judgment dated 18 October, 2012. The methodology adopted by Hon'ble Commission in past Tariff Orders for approval of R&M and A&G expenses has been challenged by PSPCL before Hon'ble APTEL.

View of the Commission

The true up for FY 2012-13 will be carried out along with ARR for FY 2016-17 which shall be carried out as per PSERC Regulations.

Issue No. 17: Revenue gap

PSPCL has claimed excess revenue of ₹2338.13 crore than approved by the Hon'ble Commission. Such expenses do not require to be revisited as no additional facts have been given by PSPCL except that such expenses are on actual basis and are non-controllable.

Reply of PSPCL

Hon'ble Commission in Tariff Order for FY 2013-14, has approved the revenue gap of ₹1010.49 crore for FY 2012-13 based on revised estimates submitted in the petition. However, as per present regulatory proceedings and as per Regulation 9 of PSERC Tariff Regulations, 2005, as amended from time to time, true-up for FY 2012-13 shall be carried out only after audited accounts are available. The revenue gap of ₹3348.62 crore arises after true-up for FY 2012-13. Hence, Hon'ble Commission is requested to re-visit such expenses and approve the revenue gap for FY 2012-13 after true-up exercise.

View of the Commission

Revenue Gap is determined by the Commission keeping in view the expenses and income approved by the Commission as per PSERC Regulations.

Issue No. 18: AP Consumption

PSPCL has sought true up of AP consumption of 10794 MU for FY 2012-13 which works out to yearly increase of 14.19% as against 9455 MU for FY 2011-12 as per Tariff Order of FY 2014-15 which is not apprehensible.

Reply of PSPCL

AP consumption of 10794 MU for FY 2012-13 is based on actual consumption on sample meter basis. However, because of the increase in the tube-well connections and inherent growth in the consumption, AP consumption has increased over and above AP consumption for FY 2011-12. Further, Hon'ble Commission has approved AP consumption of 9455 MU for FY 2011-12 based on input energy methodology. This methodology of considering the AP consumption on input energy has already been challenged before Hon'ble APTEL as it was applied at the stage of true-up for FY 2011-12.

View of the Commission

The Commission has decided not to carry out true up for financial year 2012-13 as brought out in chapter 2 of this Tariff Order. The Commission shall determine the AP consumption for FY 2012-13 after prudent check as and when true up for FY 2012-13 is carried out by the Commission.

Issue No. 19: Revenue gap for RE 2013-14

The Hon'ble Commission is requested not to consider the revenue gap for FY 2013-14 till the audited statements is made available.

Reply of PSPCL

The Regulation 9 of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 states as under:

> *"Regulation 9 - "REVIEW AND TRUING UP"… "After audited accounts of a year are made available, the Commission shall undertake similar exercise as above with reference to the final actual figures as per the audited accounts.* ***This exercise with reference to audited accounts shall be called Truing Up.****" (emphasis added)*

In view of the above, truing up exercise for FY 2013-14 may be undertaken by the Hon'ble Commission only after the finalization of audited annual accounts.

View of the Commission

The Commission agrees with reply of PSPCL.

Issue No. 20: RSD Charges - RE 2014-15

The charges payable to Government of Punjab on power from RSD are being paid to Irrigation department for maintaining civil works of RSD and should have been charged under R&M head. Hence, such charges need to be clubbed in the head of R&M expenses.

Reply of PSPCL

No royalty charges are being paid to Govt. of Punjab. Maintenance of Power House building Switch yard, Electrical and Mechanical equipment at Power Plant is done by PSPCL and maintenance of Dam, Spill way, Power Tunnels and approach roads to Power House is done by I.B. Authority. Civil maintenance of dam and work recommended by Dam Safety Advisory Committee are being carried out by Punjab Govt. Irrigation Department. As per Punjab Govt. Notification No. 3/13/2009-T:2/50 dated Chandigarh 08.01.2010, PSPCL is to deposit 3% of income received from Ranjit Sagar Dam on account of sale of Power for the maintenance of Ranjit Sagar Dam in the Punjab

Treasury from the date of notification by the Govt. of Punjab Accordingly, the said additional expenditure to be incurred every year is included in ARR of the company, and is being paid by PSPCL. Further, the charges payable to Government of Punjab on power from RSD has been shown separately as ARR head item as per the methodology adopted by the Hon'ble Commission in the previous Tariff Order.

View of the Commission

The Commission approves these charges as per Regulation 29(a) of PSERC Tariff Regulations. Refer para 3.17 and 4.15 of this Tariff Order.

Issue No. 21: DSM Fund

DSM fund should be rejected and fund requirement should be covered in capital investment plan only after PSPCL submits cost recovery qualification requirements as per Regulations. Alternatively, Hon'ble Commission may consider the actual expenditure incurred on DSM activities, duly approved by the Hon'ble Commission.

Reply of PSPCL

PSPCL is allowed to recover costs incurred in any DSM related activity including planning, conducting load survey / research, designing, implementing, monitoring and evaluating DSM programs by adding the costs to the Annual Revenue Requirement (ARR) to enable their funding through tariff structure or by implementing programs at the consumer premises that would attract appropriate return on investment as per Regulation 1.8 PSERC DSM Regulations. Further, Hon'ble Commission in tariff Order of FY 2014-15 approved provision for DSM fund for implementation of various DSM programs as per PSERC DSM Regulations for FY 2014-15. PSPCL understands that intend of Hon'ble Commission to approve separate provision of DSM fund is only to stress upon DSM activities. PSPCL has already done its sincere efforts to achieve energy saving targets by implementing various DSM activities as under:

a) 44.51 MU saving by BLY scheme.
b) 15 MU saving annually at Agriculture connection premises by installing CFLs.
c) 3 lac unit per annum by replacement of 1982 make old ACs at GGSSTP, Ropar.
d) 40.88 MU has been saved by PSPCL by releasing 4 star rated new AP connections.
e) A pilot project of 27 nos. of LEDs to replace Metal Halide lamp at power colony-1 has been finalised and same will be implemented shortly.

Hence, more than 100.42 MU are being saved from various measures taken by PSPCL. Other than this, DSM Cell has already initiated various measures to explore the possibilities of replacement of ICLs with LEDs outside BLY scheme. The Hon'ble Commission has also principally approved DELP Scheme for replacement of 16 Lac ICLs with estimated savings of 106 MU per annum and ₹55 crore in 5 years.

Further, PSPCL has already signed MoU with BEE on 12 June, 2014 to make complete formation of DSM Plan for all categories of consumers for the state of Punjab and in this DSM Plan, potential of saving will be determined. Hence, the provision of DSM fund is essential for completion of such DSM Activities.

View of the Commission

Refer para 3.18 & 4.18 of this Tariff Order.

Issue No. 22: High Employee Costs in FY 2015-16

PSPCL has repeated its inability to control employee expenses and should explain the reasons for this increasing trend in spite of having outsourced many activities and services. Further, Hon'ble Commission is requested to cap employee expenses at appropriate level and the same should be increased, if required, to cover the increase in terminal benefits and WPI only.

Reply of PSPCL

PSPCL is a State Government owned entity and is liable to follow the statutory provisions of the rules and regulations as laid down by the State Government.

Accordingly, any increase in employee cost due to revision in DA, arrears of pay, etc. has to be borne by PSPCL and is beyond its control. Further, PSPCL has taken initiatives to reduce the employee cost as well increase the productivity and efforts taken by PSPCL have also been recognized by the Hon'ble Commission in Tariff Order of FY 2013-14.

The capping of employee expenses means denial of employee expenses or provides any less favourable terms and conditions to the employees which are not legal.

View of the Commission

Employee cost has been allowed as per PSERC Regulations. Refer para 3.10 and 4.10 of this Tariff Order.

Issue No. 23: Determination of Wheeling Charges

The wheeling charges should cover only the wire business costs of the Licensee and /or daily scheduling charges of ₹2000 per day to be paid by Open Access consumers should be waived off.

Reply of PSPCL

As per Regulation 1 (bb) and 25 of PSERC (Terms and Conditions for Intra-state Open Access) Regulations, 2011, wheeling charges are payable for the use of distribution system of PSPCL by Open Access consumers for wheeling of power through the distribution system of PSPCL. Such wheeling charges are determined by Hon'ble Commission in respective Tariff Orders. However, the daily scheduling charges are pertaining to the charges required for scheduling the power of Open Access consumers. The purpose of both charges is different and pertaining to different activities. Hence, the daily scheduling charges cannot be clubbed with wheeling charges or alternatively waived off.

View of the Commission

The various charges are determined by the Commission as per its notified Regulations.

Issue No. 24: Tariff for Temporary Supply

Tariff for temporary supply in case of industrial, domestic and commercial consumers should be fixed as per voltage wise category wise cost of supply / normal tariff for that category of consumers.

Reply of PSPCL

Temporary supply is for the supply of power for the short period (not exceeding 2 years). Purpose of temporary activities is such as constructions, festival, private functions, etc. For such temporary activities, the PSPCL has to lay its distribution system to fulfil its universal supply obligation. The cost associated with such consumers is also required to be recovered through the tariff. Higher tariff for temporary supply is prevalent in all the states of the country. Further, PSPCL requests the Hon'ble Commission to decide the tariff for such temporary supply categories in line with the previous Tariff Orders.

View of the Commission

The Commission agrees with reply of PSPCL.

Objection No. 7: Director, HANSCO Iron and Steels Pvt. Ltd., Mandi Gobindgarh

Issue No. 1: Return on Equity

Hon'ble Commission is requested to re-determine the return on equity for all years from FY 2011-12 onwards in view of the Hon'ble APTEL Judgement dated 17 December, 2014 in Appeal No. 168 and 142 of 2013 and adjust the same in ARR for FY 2015-16 along with carrying cost.

Reply of PSPCL

Refer to PSPCL reply on issue No. 9 Objection No. 5.

View of the Commission
Refer para 3.15 and 4.16 of this Tariff Order.

Issue No. 2: Cross subsidy for PIU category
As the Power Intensive industry is separate category for fixation of tariffs and tariff of the same should be fixed so that it is not burdened by way of cross subsidy.
Reply of PSPCL
Determination of cross-subsidy level for power intensive industry category is prerogative of the Hon'ble Commission as per Electricity Act, 2003. Further, it is requested that while determining the tariff in conjunction with the cross subsidy level for power intensive industry category, the Hon'ble Commission has also to keep in view the interests of PSPCL.
View of the Commission
PSERC Tariff Regulations are kept in view while determining the tariff. The tariff of all categories is within $\pm$ 20% of average cost of supply. Refer to para 7.3 of this Tariff Order.

Issue No. 3: Time of Day (TOD) Tariff
TOD rebate is given only for six months i.e. from 1 October to 31 March only. TOD rebate should be extended from 15 Sept. to 15 June of next year and in this tariff order it should be from 1 April to 15 June 2015 and from 15 Sept. 2015 to 31 March 2016 with a provision to extend it to 15 June 2016 if next tariff order is delayed for any reason and there is no shortage for rest of the year rather there is plenty of availability of power for the rest of the year.
Reply of PSPCL
TOD rebate is admissible for the period from 1 October to 31 March only (off paddy period). However, keeping in view the power availability and demand, Hon'ble Commission has extended the relief of TOD period upto 31 May, 2014.
Further, PSPCL has submitted impact of extension of ToD rebate. Hon'ble Commission may take an appropriate view on extension of TOD tariff subject to the consideration of impact of such rebate while fixing the ARR and Tariff in the Tariff Order.
View of the Commission
Refer to para 5.3 of this Tariff Order.

Issue No. 4: Wheeling charges
Hon'ble Commission is requested to determine the wheeling charges in light of judgement of APTEL in the Appeal No. 142 & 168 dated 17 December, 2014.
Reply of PSPCL
Aggrieved by these Hon'ble APTEL Judgements dated 12 September, 2014 and 17 December, 2014, PSPCL has filed an Appeal before Hon'ble Supreme Court and the matter is sub-judice. We humbly request the Hon'ble Commission not to consider the impact of re-determination of wheeling charges in tariff Order for FY 2014-15 as matter is sub-judice before higher court.
View of the Commission
Refer to para 7.10 of this Tariff Order.

Issue No. 5: ARR and Carrying Cost of Revenue Gap
The revenue gap ending FY 2011-12 of ₹1946.31 crore has been increased to ₹11370.78 crore in ARR FY 2015-16 indicates that PSPCL are incurring expenditure at their will and by taking interest bearing working capital loans from various sources and incurring finance charges on arranging loans. Further, total carrying cost of revenue gap of ₹2974.44 crore which is 11% of ARR of FY 2015-16 needs to be reassessed and minimized as it is on higher side.
PSPCL has continued to claim past expenditure which is disallowed by the Hon'ble

Commission and submitted total ARR for FY 2015-16 as ₹39001.74 crore including carrying cost which requires increase in Tariff up to 59.74%. PSPCL has continued to inflate its ARR figures to get higher Tariff to recover its expenses. The Hon'ble Commission needs to stop this otherwise industry in Punjab will have to close their business. Hon'ble Commission is requested that the abnormal rise in projected ARR requirements for FY 2015-16 of ₹39001.74 crore needs careful consideration so that consumers are not burdened with undue tariff increase.

Reply of PSPCL

Refer to PSPCL reply on issue No. 1 Objection No. 5

View of the Commission

Revenue Gap is determined by the Commission keeping in view the expenses and income approved by the Commission. Carrying cost, if any is allowed on the Revenue Gap determined by the Commission after prudent check as per PSERC Regulations. Refer para 4.22 of this Tariff Order.

Issue No. 6: Agriculture Consumption

The power supplied to Agriculture sector at subsidized rate needs to be capped year wise and power supplied above that limit should be billed as Cost of Supply worked out in ARR.

Reply of PSPCL

Refer to PSPCL reply on issue No. 2 Objection No. 5.

View of the Commission

Refer to view of the Commission on issue no.2 objection no. 5.

Issue No. 7: Cross-subsidy for Agriculture category

AP-tariff rates are required to be fixed in line with the National Tariff Policy and Orders of APTEL that envisages that the rates for subsidized categories should not be less than 80% of average cost of supply and further that the cross subsidy will be equal to or lower than the last year levels.

Reply of PSPCL

Determination of tariff and cross-subsidy level for agriculture category is prerogative of the Hon'ble Commission as per Electricity Act, 2003. Further, it is requested that while determining the tariff in conjunction with the cross subsidy level for power intensive industry category, the Hon'ble Commission has also to keep in view the interests of PSPCL.

View of the Commission

Refer to para 7.2 & 7.3 of this Tariff Order.

Issue No. 8: Payment of Subsidy by GoP

Hon'ble Commission may direct GoP to release subsidy amount commensurate with consumption cycle of PSPCL.

Reply of PSPCL

Timely payments of subsidy ease the burden on PSPCL. PSPCL agrees that Hon'ble Commission may direct GoP to release subsidy amount commensurate with consumption cycle of PSPCL.

View of the Commission

The subsidy by GoP is recoverable in advance monthly instalments. In case of delay in payment of subsidy, interest is charged on delayed payment of subsidy.

Issue No. 9: HT/EHT Rebate

EHT consumers are not getting adequate incentive on account of heavy investment made on creating and maintaining EHT facilities by the consumer and the resultant reduction in T&D losses accruing to PSPCL. The industrial consumers be divided into four separate distinct categories based on supply voltage levels i.e. 220/132 kV, 66 kV, 33 kV and 11 kV and voltage wise cost of supply based tariff be implemented for these consumers. Further, assumptions taken for cost of supply study should be substituted with actual data so that cost of supply worked out can be relied upon.

Reply of PSPCL

Hon'ble Commission in Tariff Order for FY 2013-14 had decided to adopt Cost of Supply study (Methodology-II) and observed in Tariff Order for FY 2013-14 that cost to serve at higher voltages is lesser than the cost to serve at lower voltages. Hon'ble Commission, accordingly, decided to approve rebate of 30 paisa/unit to consumers catered at 220/132 kV voltage, 25 paisa/unit at 66/33 kV voltage and 20 paisa/unit to DS, NRS, MS and AP/AP High-Tech categories at 11 kV voltage, and assessed the impact of this voltage rebate at ₹103.63 crore on the basis of energy sales data supplied by PSPCL.

Further, the Hon'ble Commission has now assessed the impact of voltage rebate at ₹107.17 crore on the basis of energy sales data supplied by PSPCL in the ARR for FY 2014-15. The revenue from tariff on existing rates has accordingly been reduced to this extent. The actual revenue impact will be adjusted at the time of true up.

It is not correct to say that high T&D losses are burdening the industrial consumers. Hon'ble Commission has also allowed a rebate as mentioned above keeping in view lesser amount of losses attributable to EHV/HV consumers. The level of cross subsidy shall also be getting reduced in the year to come as per objective analysis of tariff revision proposals by Hon'ble Commission keeping in view the directives contained in the Electricity Act 2003. However, its elimination seems not viable in the near future due to socio-economic set up of our country.

Further, the cost of supply report submitted by PSPCL is based on the actual sales data and certain assumptions regarding the segregation of expenses as such segregation is not yet done. Further, PSPCL has also submitted the replies of deficiencies asked in this regards.

View of the Commission

The Commission agrees with the reply of PSPCL. Also refer to para 7.2 of this Tariff Order.

Issue No. 10: CAG Report for FY 2012-13

As the CAG Report for FY 2012-13 is still awaited, the true-up exercise for FY 2012-13 should be deferred.

Reply of PSPCL

Refer to PSPCL reply on issue No. 14 Objection No. 5

View of the Commission

The Commission has issued directive 6.18 to PSPCL for timely submission of audited accounts so that true up exercise for the relevant year is carried out at the earliest.

Issue No. 11: Delay in CAG Audit and True up

PSPCL has not submitted the audited data for FY 2013-14. This delay in compiling the audited data for previous years leads to higher carrying cost of Revenue gap for two years which is to be passed on to the consumers. Hon'ble Commission is requested to initiate action against this laxity of PSPCL and violation of regulations and the Act.

Reply of PSPCL

Refer to PSPCL reply on issue No. 1 Objection No. 3.

View of the Commission

The Commission has issued directive 6.18 to PSPCL for timely submission of audited accounts so that true up exercise for the relevant year is carried out at the earliest.

Issue No. 12: T&D Losses

Hon'ble Commission is requested to ask PSPCL to explain how the cost recovery of huge loan taken for loss reduction will be affected and will not lead to debt increase.

Reply of PSPCL

T&D loss trajectory fixed was based on AP sample meters, but now PSERC has shifted to input energy based which caused review. The PSERC may refix the T&D loss trajectory now. Lower T&D Losses are the result of the PSPCL's continual efforts to improve the operational efficiency & capital investment done for reduction of T&D losses and allied expenses, which were duly approved by Hon'ble Commission in previous Tariff Orders only after applying prudent check. Hence, the recovery of such loans taken will be done in accordance with expenses like depreciation, interest expenses, etc. approved by Hon'ble Commission.

View of the Commission

Refer to view of the Commission on issue no.15 objection no. 5.

Issue No. 13: Normative expenses

PSPCL has requested for approval of normative expenses where the actual expenses are less than normative like A&G, etc. in FY 2012-13. Hon'ble Commission is requested to consider the expenses which were allowed in Tariff Order on actual basis and other expenses allowed previously on normative basis should be disallowed.

Reply of PSPCL

Refer to PSPCL reply on issue No. 16 Objection No. 5

View of the Commission

The Commission determines expenses after prudent check and in line with PSERC Tariff Regulations & Electricity Act, 2003.

Issue No. 14: AP Consumption

PSPCL has sought true up of AP consumption of 10794 MU for FY 2012-13 as against approved of 9455 MU for FY 2011-12 which works out to yearly increase of 14.19% which is not understandable.

Reply of PSPCL

Refer to PSPCL reply on issue No. 18 Objection No. 5

View of the Commission

Refer to view of the Commission on issue no. 18 objection no. 5.

Issue No. 15: Revenue gap for FY 2013-14

Hon'ble Commission is requested not to consider the revenue gap for FY 2013-14 till the audited statements is made available.

Reply of PSPCL

Refer to PSPCL reply on issue no. 19 objection no. 5.

View of the Commission

Revenue Gap is determined by the Commission keeping in view the expenses and income approved by the Commission in line with PSERC Regulations

Issue No. 16: RSD Charges - ARR FY 2014-15

Charges payable to Government of Punjab on power from RSD are being paid to Irrigation department for maintaining civil works of RSD and should have been charged under R&M head. Hence, such charges need to be clubbed in the R&M head expenses.

Reply of PSPCL

Refer to PSPCL reply on issue No. 20 Objection No. 5.

View of the Commission

The Commission approves these charges as per Regulation 29(a) of PSERC Tariff Regulations. Refer para 3.17 and 4.15 of this Tariff Order.

Issue No. 17: DSM Fund

Provision of DSM fund should be rejected and fund requirement should be covered in capital investment plan only after PSPCL submits cost recovery qualification requirements as per Regulations. Alternatively, Hon'ble Commission may consider the actual expenditure incurred on DSM activities, duly approved by the Hon'ble Commission.

Reply of PSPCL

Refer to PSPCL reply on issue No. 21 Objection No. 5

View of the Commission

Refer para 3.18 & 4.18 of this Tariff Order.

Issue No. 18: Cross Subsidy - ARR 2014-15

While fixing Tariff for FY 2015-16 for industry, the Hon'ble Commission should consider the gradual reduction of cross subsidy for various categories of consumers. Further, Hon'ble Commission should freeze limit of consumption of the categories those are cross subsidized and utility should be directed to recover charges for consumption exceeding that limit at the normal tariff. Further, the slab system for domestic consumers may be abolished and one flat rate be fixed for this category as worked out in cost of supply study.

Reply of PSPCL

The determination of cross-subsidy level is prerogative of the Hon'ble Commission as per Electricity Act, 2003. Further, Clause 8.3 of Tariff Policy states as under:

*"**8.3 Tariff design: Linkage of tariffs to cost of service***

. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the SERC would notify roadmap within six months with a target that latest by the end of year 2010-2011 tariffs are within ± 20 % of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy...."

As given in the Tariff Policy, there has to be reduction in cross-subsidy but gradually, keeping the interest of Utility in view. Hence in light of the same it is requested that while determining the tariff in conjunction with the cross subsidy factor, the Hon'ble Commission has also to keep in mind the interests of PSPCL.

View of the Commission

(i) Refer to para 7.2 & 7.3 of this Tariff Order.
(ii) Refer to view of the Commission on issue no.2 objection no.5.
(iii) Slab system for DS category is in accordance with Section 62 of the Act.

Issue No. 19: Agriculture Consumption - ARR 2014-15

Hon'ble commission should freeze limit of consumption agriculture category and PSPCL should be directed to recover consumption exceeding that limit at the normal tariff.

Reply of PSPCL

Refer to PSPCL reply on issue No. 2 Objection No. 5.

View of the Commission

Refer to view of the Commission on issue no. 2 objection no. 5.

Issue No 20: Interest on Short Term Loans

Hon'ble Commission is requested not to pass on the interest on short term loans taken to meet the revenue shortfall arising out of non receipt of subsidy from the Government, disapproval of certain expenses like employee cost, R&M cost, A&G expenses. Only interest on working capital calculated according to PSERC Tariff Regulations for tariff determination should be allowed. PSPCL be asked to freeze loans & should seek approval for additional loans from PSERC.

Reply of PSPCL

Refer to PSPCL reply on issue No. 8 Objection No. 5.

View of the Commission

Interest charges on working capital loans have been allowed as per PSERC Regulations. Refer para 3.14.12, 4.14.8 of this Tariff Order.

Issue No. 21: Over-estimation of loan requirement for capital expenditure

Hon'ble Commission is requested to look into the investment projections given by the Board for a realistic assessment of the same and accordingly approve interest cost for capital work for FY 2014-15 and FY 2015-16.

Reply of PSPCL

Refer to PSPCL reply on issue No. 12 Objection No. 5.

View of the Commission

Capital Expenditure/Capital Investment plan has been approved after taking into account the actual expenditure during the past years/current year. The expenditure has been allowed after prudent check in line with the PSERC Regulations. Refer para 3.14.2 and 4.14.2 of this Tariff Order.

Issue No. 22: Interest on Working Capital

PSPCL has also claimed interest of ₹149 crore for 2015-16 towards GPF amount of employees and similar amounts for previous years. Similarly, PSPCL has security deposit with them for which it has claimed interest charges of ₹180 crore. These amounts have also been used by PSPCL to meet the working capital and as such the factual WC is much more than being reflected here. Commission may direct PSPCL to give clarity on where these amounts have been utilized or invested and interest charges should be allowed accordingly.

Reply of PSPCL

Refer to PSPCL reply on issue No. 13 Objection No. 5.

View of the Commission

Interest charges on working capital loan have been allowed after prudent check as per PSERC Regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 23: Employee Expenses

PSPCL is unable to find the real cause of abnormal increase in employee cost year after year compared with the increase admissible as per Regulations in spite of repeated disallowances. The demand of ₹830.50 crore for FY 2015-16 towards Progressive Funding of terminal Benefit Trusts is not understandable and needs to be rejected as the case is pending before Hon'ble APTEL. Further, increase in employees cost on the basis of wholesale price index may be allowed during FY 2015-16.

Reply of PSPCL

Refer to PSPCL reply on issue No. 22 Objection No. 5.

View of the Commission

Employee cost has been allowed as per PSERC Regulations. Refer para 3.10 and 4.10 of this Tariff Order.

Issue No. 24: Power Purchase Cost- Review of PPA

PSPCL has neither given the report of consultant on review of PPAs nor worked out the liability for surrender of power. Methodologies adopted or proposed to be adopted for minimizing losses to PSPCL have also not been explained in the ARR. Actual rate of power purchase is always exceeding the rate approved by Hon'ble Commission.

Reply of PSPCL

PSPCL has engaged a consultant M/s Mercados Energy Markets India Pvt. Ltd. for following jobs:-

a) Load forecasting on daily basis, day head basis, short term for monthly basis and yearly basis and medium term basis.
b) The availability during the corresponding times.
c) Identifying the surpluses.

Firm has developed "Demand forecasting modules" and Day Ahead Demand & Expected Exchange Rates are being projected. All the modules are on test run and expected to be put on actual use after December, 2014. After identifying the surpluses (as intimated by

M/s Mercados), PSPCL has executed MOU with M/s TPTDL to dispose off that surplus power. The actual quantum to be sold will be intimated during the review of ARR 2015-16.

PSPCL takes power mainly from Thermal Generation in the State as well as purchase of power from Central Generating Stations and IPPs. This cost of power increases every year for reasons beyond control of PSPCL such as increase in coal cost, transportation cost, and increase in tariff by CERC for CGSs etc.

Power purchase cost for FY 2012-13 of ₹3.77/kWh (₹7219.09 crore for 19161 MU purchase) has been submitted based on actual figures. As regards the purchase of power, it is submitted that in case of reduction in anticipated sales, the power purchase quantum is to be reduced which further reduces the energy charges however, PSPCL has to pay fixed charges as per CERC Order (in case of CGSs), Hon'ble Commission's Order or PPA (in case of competitive bidding).

Further, the average power purchase cost of ₹4.18 per unit as approved by Hon'ble Commission in tariff Order for FY 2014-15 is re-estimated at ₹4.10 per unit. The average power purchase cost is estimated at ₹4.37 per unit for FY 2015-16. PSPCL has estimated the power purchase cost based on available tariff Orders for the generators and best available secondary information. PSPCL has been making the best possible efforts to optimize the power purchase cost. While estimating the power purchase cost, PSPCL has also considered the purchase based on merit order stack so as to optimize its cost. The additional energy available with PSPCL also envisaged for direct sale or sale through banking so as to minimize the power purchase cost. Further, power through UI is purchased/sold to keep the supply and system OK and actual scheduling may differ from the proposed scheduling.

View of the Commission

Refer to para 4.8 & directive 6.17 this Tariff Order.

Issue No. 25: T&D Losses

Loss level target of 16% earlier proposed for FY 2014-15 has now been projected for FY 2015-16 by PSPCL which means that PSPCL again failed to achieve T&D losses fixed by Hon'ble Commission. Further, some regulations should be framed to ensure that norms fixed by Hon'ble Commission are achieved and PSPCL may be asked to submit their report on quarterly basis to PSERC so as to ensure that if any deviation is there in any quarter, corrective steps can be taken. Further, the Objector submitted that the inefficiency of PSPCL in controlling theft, pilferages etc. should not be also loaded on honest consumers because industrial consumers receive power at higher voltage.

Reply of PSPCL

Refer to PSPCL reply on issue No. 3 Objection No. 2.

View of the Commission

Refer to para 4.2 of this Tariff Order. The Commission dis-incentivises PSPCL as per its Tariff Regulations, when PSPCL does not achieve the T&D loss target fixed by the Commission for a particular year.

Issue No. 26: kVAh Tariff

Tariff based on kVAh should be rationalized and Hon'ble Commission may view benefit accruing to PSPCL in lieu of improved voltage profile and reduced losses. Hon'ble Commission has also allowed a rebate of ₹1 per unit for consumption above the threshold consumption. This threshold limit is the average of last 3 years consumption adjusted for change in CD and further for kVAh. PSPCL has not conveyed such limit to the consumers so far due to which the consumers are not in a position to work out the production cost and increase the consumption.

Reply of PSPCL

PSPCL had submitted the proposal for introduction of kVAh tariff before the Hon'ble Commission. Further, the Hon'ble Commission conducted the public hearing for receiving various suggestions and objections from the public on kVAh tariff proposal. Hon'ble Commission approved and implemented kVAh tariff for LS for Large Supply (General Industry), Large Supply (PIU/Arc Furnace), Bulk Supply (HT/LT), Railway Traction, Medium Supply, DS (Load more than 100 kW) and NRS (Load more than 100 kW) categories of consumers after verifying the proposal and only after considering the interest of the consumers.

Further, for working out kVAh tariff for PI industry and General industry, the average conversion factor of individual category was considered and the same was 0.98 for PI Industry and 0.95 for General Industry. The Industry should not object to this system as there will be no loss to PI Industry as KVAh units consumed by PI Industry shall be lower than general industry consumer for the same power used due to higher power factor of PI units. Regarding the conversion of Open Access power purchased, kWh units purchased are required to be divided by power factor of the month to work out kVAh units. In case of any billing issue, it is requested to approach the concerned Divisional Office to rectify the same or may approach any Dispute Settlement Committee if need be. As regards the rebate of ₹1 per unit, PSPCL has issued Commercial Circular No. 49 of 2014 dated 16 October, 2014 for brining in clarity and awareness amongst the consumer which specifically mentioned about the threshold consumption and other applicability clauses.

View of the Commission

The Commission approved the proposal of PSPCL for introduction of kVAh tariff after its scrutiny & following the laid down procedure. PSPCL has separately informed the Commission that it has started giving rebate of ₹1 per unit and will complete the process in March, 2015.

Issue No. 27: Peak Load Exemption Charges

Hon'ble Commission may review the desirability to impose Peak Load Exemption Charges during winter months after collecting data from PSPCL as demand falls almost half of the summer/paddy months. Further, Hon'ble Commission may consider imposition of PLEC on shopping malls and other similar high end consumers to partly cover the cost of power. As regards the rebate of ₹1 per unit for winter months, PSPCL has not declared the threshold consumption of the eligible consumers based on the data of last three years and is not allowing this rebate.

Reply of PSPCL

During the peak load hours (6 PM to 10 PM) the demand on the system increases because of increase in lighting load from domestic and commercial consumers and to control maximum demand, PLEC was introduced. Regarding the power purchased during peak load hours under Open Access, it is submitted that as the import of power increases the maximum demand on the system equally well as compared to power consumed from PSPCL, it would not be correct to say that extra charge should not be levied. Prior to introduction of TOD, the consumers were paying PLEC during peak load hours when power was consumed by it either from PSPCL or purchased through Open Access.

The Commission was of the view that with the implementation of the proposal of replacement of PLEC with ToD, the Large Supply and Medium supply industrial consumers will shift their operations to off peak hours, resulting in reduction in consumption during peak hours & normal hours and increase in consumption during off peak hours. The consumption during off peak hours may increase further, due to cheaper power available during this period. Further, PSPCL will be in a position to release more load/connections as a result of shifting of load. All this may give fillip to the industry, more employment opportunities and more revenue to the State Govt. etc. This may also result in increase in revenue of the utility.

In view of the above, the Commission approved the Time of Day (ToD) tariff for Large Supply Industrial category and Medium Supply, Industrial category consumers. The comparison made by the Objector to show the power consumed during peak load hours in summer shall cost ₹10.43 per unit and ₹9.38 per unit in winter is misleading. All Industrial consumers are paying PLEC are also availing peak load rebate and Hon'ble Commission has given the relief to Industrial consumer with rebate at ₹1.50 per kVAh for power consumed during off peak period (10 PM to 6 AM). PSPCL has surplus power but the maximum demand during peak load has to be controlled to keep the demand within the limits to avoid collapse of transmission network. The demand of DS and NRS consumers has to be met during peak load hours as their primary requirement of power is to use it during peak load hours. Hon'ble Commission may consider to impose extra charge to shopping malls and other high end consumers.

Further, reduction of supply hours to agriculture tubewells is not possible as it will affect the growth of paddy and supply is being given to agriculture sector as per Policy of Government of Punjab vis-à-vis availability of power with PSPCL.

Further, during the winter months, the generation of power from Hydel projects drops considerably and peak load demand has to be controlled to keep the maximum demand on the system as per availability of power as well as to keep the transmission system in healthy condition.

View of the Commission

Refer to para 5.3 & 5.5 of this Tariff Order.

Issue No. 28: Cost of Supply /HT rebate

PSPCL be asked to firm up the data required for the cost of supply study since lot of computerization / digitization has taken place and IT practices have been introduced under APDRP schemes in PSPCL. Further, as per recent orders of APTEL in an appeal, it has been ordered that Cross Subsidy Levels be also worked out on the basis of Cost of supply and it should be ensured that these levels remain less than those of last year and should not exceed 20% limit. Further, voltage rebate be further enhanced to make it commensurate with the cost of supply.

Reply of PSPCL

Hon'ble Commission has adopted methodology II for costs of supply as it was considered more realistic compared to methodology I wherein cost of supply for HT consumers was worked out more than consumers of LT category. Based on this methodology, PSPCL has been working out voltage-wise category wise cost of supply based on the available data. However, certain assumptions were made for segregation of expenses into wire and retail as segregation of accounts is not yet done. PSPCL is implementing IT system under R-APDRP schemes in 47 towns and availability of all data will be possible after complete implementation. Hon'ble Commission has determined the tariff based on average cost of supply. Further, as per Section 62 of the Electricity Act, 2003 and PSERC Tariff Regulations, 2005, the fixation of tariff and determination of cross subsidy level for categories of the consumer is prerogative of Hon'ble Commission.

View of the Commission

Refer to para 5.4, 7.2 & 7.3 of this Tariff Order. PSPCL should initiate steps as suggested by the objector for determining the cost of supply & submit the proposal along with ARR for FY 2016-17.

Issue No. 29: A&G expenses

A&G expenses of ₹30.61 crore pertaining to donation to the Cancer and Drug Addiction Treatment Infrastructure Fund should be disallowed in Tariff Order and should be met by PSPCL out of its profit.

Reply of PSPCL

Refer to PSPCL reply on issue No. 10 Objection No. 5

View of the Commission

The Commission has been allowing A&G expenses as per PSERC (Terms & Conditions for Determination of Tariff) regulations 2005. Refer para 3.12 and 4.12 of this Tariff

Order.

Issue No. 30: Prior period expenses

Prior period expenses of ₹43.25 crore in 2012-13, ₹157 crore in 2013-14, ₹279 crore in H-1 of 2014-15, the ARR under consideration can accommodate expenses related to the benefits passed on to the consumers in the relevant year only.

Reply of PSPCL

Prior Period items are defined as those items which arise on account of correction of error in accounts of prior periods, shortages or excess provision made in previous years and thus PSPCL requests the Hon'ble Commission to allow actual prior period expenses for the year.

View of the Commission

Prior period expenses are allowed only after prudent check of the data submitted by the utility.

Issue No. 31: Boundary metering

PSTCL should declare the boundary metering within 3 months and the actual losses of STU should be available w.e.f. 1 April, 2015 and accounted for on actual basis in the RE of 2015-16 in the ARR of FY 2016-17.

Reply of PSPCL

The objection is not related to PSPCL. It is requested to seek reply from the PSTCL.

View of the Commission

PSTCL has intimated to the Commission that the overall transmission losses will be provided to the Commission by 30.6.2015 along with the data for at least six months.

Issue No. 32: Power Procurement through Open Access

PSPCL need to review its working and attitude towards LS Open Access consumers who have to compete with the industries from the neighbouring states where the rate of power are less than the PSPCL rates and other incentives are also available for the consumers who opt for Open Access Power. Hon'ble Commission is requested to take the issue of Open Access in totality and direct PSPCL to present a balanced view on Open Access.

Reply of PSPCL

PSPCL is making all its sincere efforts to reduce its expenses so that it can provide the competitive tariff compared to neighboring state. Also, PSPCL is committed to supply 24x7 reliable and quality power supply to Industrial consumer considering their need. Further, PSPCL has also been able to reduce its T&D losses upto the level of 16.77% which is one of the lowest in the country. Keeping in view of the same, in previous years, various benefits such as increase in TOD rebate, rebate on high voltage sale, kVAh tariff, and increased consumption than last years average, a special rebate of ₹1/- per unit as per CC No. 49/2014 has been given due to surplus power etc. are provided to Industrial consumers to make viable tariff for Industrial consumers.

On the other hand, PSPCL is giving Open Access to consumers as per the provisions of PSERC (Terms and conditions of Intra-State Open Access) Regulations, 2011, as amended from time to time. Further, PSPCL has levied the Open Access charges and other charges as determined by the Hon'ble Commission.

View of the Commission

The Commission determines the Open Access charges as per its notified Regulations. Refer to para 7.10 of this Tariff Order, where Open Access charges have been determined by the Commission for FY 2015-16.

Objection No. 8: Sh. Harinder Puri, Secretary, Steel Furnace Association of India (Punjab Chapter), Ludhiana.

Issue No. 1: Submission of Accounts

Hon'ble Commission is requested to direct PSPCL to file a separate income and expenditure account along with balance sheet based on costs as approved by Hon'ble Commission from year to year.

Reply of PSPCL

As per the tariff determination exercise, in accordance with the PSERC Tariff Regulations, 2005, PSPCL is required to submit the details of the actual costs incurred by it in the last year, revised estimates for the current year and projections for the ensuing year. The projections and revised estimates are to be prepared based on the applicable regulations whereas the actual for the last year are to be claimed as per annual accounts. PSPCL in the present Petition has comprehensively compared the costs approved by the Hon'ble Commission with actual costs. Further, balance sheet for FY 2012-13 is also submitted in Volume III of the Petition. Thus, PSPCL has claimed the ARR based on the actual data as per the audited annual accounts and requests the Hon'ble Commission to approve the same.

View of the Commission

Expenditure claimed under different heads is approved after prudent check in line with PSERC Regulations.

Issue No. 2: Cap on the power supplied to Agriculture sector

Power supplied to Agriculture sector at subsidized rate needs to be capped year wise.

Reply of PSPCL

Refer to reply of PSPCL in issue no. 2 of objection no. 5

View of the Commission

Refer to view of the Commission on issue no.2 objection no. 5.

Issue No. 3: Diversion of Funds

Detailed investigation regarding the diversion of funds is required to work out the exact amount of diversion to be disallowed for ARR purpose to safeguard the interest of consumers.

Reply of PSPCL

The amount disallowed by the Hon'ble Commission on account of diversion of funds every year has affected financial viability of the utility. Its entire RoE allowed by Hon'ble Commission is getting eroded in meeting expenses against disallowances including disallowances on account of diversion of funds. PSPCL thus, requests the Hon'ble Commission to allow the interest on outstanding loan in order to keep financial interest and viability of the utility.

View of the Commission

Diversion of funds, if any, will be considered at the time of true up.

Issue No. 4: T&D Loss

PSPCL is appreciated for achieving 16.77% T&D losses with Agriculture consumption of 10794 MU in FY 2012-13 as against approved 18% T&D losses.

Reply of PSPCL

PSPCL is glad to receive appreciation on reduction of T&D losses. This reduction in T&D losses is result of continual efforts and focused approach of PSPCL for improving operational efficiency. In future, PSPCL will undertake its best possible efforts for reduction in T&D losses.

View of the Commission

The Commission is not carrying out the true up of FY 2012-13 as decided in Chapter 2 of this Tariff Order. Actual T&D loss will be known when the true up of FY 2012-13 is carried out by the Commission.

Issue No. 5: Claim of Expenses

Expenses are claimed on actual basis and not on the norms prescribed/followed by the Commission for approving expenses for various heads. Further proper justification of expenses needs to be provided. Also, regarding prior period expenses of ₹43 crore, the

ARR under consideration can accommodate expenses related to the benefits passed on to the consumers in the relevant year only.

Reply of PSPCL

PSPCL has claimed the R&M and A&G expenses as per Regulation 28 of PSERC Tariff Regulations, 2005, as amended from time to time. Hon'ble Commission in tariff Order of FY 2014-15 has approved R&M and A&G expenses as per audited accounts. PSPCL has already submitted in the present Petition that Hon'ble Commission while approving such expenses has taken an inconsistent approach and the methodology adopted of allowing the actual or normative whichever is less, which is an incorrect methodology and contrary to the decision of Hon'ble APTEL in the Judgment dated 18 October, 2012 for allowing employee expenses on actual and concept of normative wherein the benefit for over achievement should remain with the utility. Further, PSPCL has claimed the employee expenses in FY 2012-13 on actual basis and the projections has been made considering the growth rate for different employee expenses heads.

As regards the employee expenses, PSPCL in the present Petition has claimed employee expenses on actual basis in view of the Hon'ble APTEL Judgment dated 19 October, 2012. Further, the reasons of claiming of interest expenses have been elaborately explained in the Petition.

PSPCL would like to submit that Prior Period items are defined as those items which arise on account of correction of error in accounts of prior periods, shortages or excess provision made in previous years and thus PSPCL requests the Hon'ble Commission to allow actual prior period expenses for the year.

View of the Commission

The Expenditure claimed under different heads has been approved after prudent check and in line with PSERC Regulations.

Issue No. 6: Interest on Short Term Loans

Hon'ble Commission is requested not to pass on the interest on short term loans taken to meet the revenue shortfall arising out of non receipt of subsidy from the Government, disapproval of certain expenses like employee cost, R&M cost, A&G expenses. Only interest on working capital calculated according to PSERC Tariff Regulations for tariff determination should be allowed.

Reply of PSPCL

Refer to PSPCL reply on issue No. 8 Objection No. 5.

View of the Commission

Interest charges on working Capital loans have been allowed after prudent check and as per PSERC Regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 7: Over estimation of loan requirement for capital expenditure

Hon'ble Commission is requested to look into the investment projections given by the Board for a realistic assessment of the same and accordingly approve interest cost for capital work for FY 2014-15 and FY 2015-16.

Reply of PSPCL

Refer to PSPCL reply on issue No. 12 Objection No. 5.

View of the Commission

Capital Expenditure/Capital Investment plan has been approved after taking into account the actual expenditure during the past years/current year. The expenditure has been allowed after prudent check in line with PSERC Regulations. Refer para 3.14.2 and 4.14.2 of this Tariff Order.

Issue No. 8: Interest on Diversion of funds

Diversion of funds calculated by the Commission for the year in the Tariff Order of FY 2011-12 and disallowed interest may be updated in the light of latest data from the balance sheet 2012-13 and the same may be disallowed for interest charged to annual revenue requirement of FY 2012-13.

Reply of PSPCL

The amount disallowed by the Hon'ble Commission on account of diversion of fund every year has affected financial viability of the utility. Its entire RoE allowed by Hon'ble Commission is getting eroded in meeting expenses against disallowances including disallowances on account of diversion of funds. PSPCL thus, requests the Hon'ble Commission to allow the interest on outstanding loan keeping in view financial interest and viability of the Utility.

View of the Commission

Diversion of funds, if any, will be considered at the time of true up.

Issue No. 9: High Employee Cost

Increase in employee expenses asked by PSPCL should not be entertained and employee cost should be capped at approved level, however, if the same is to be increased it should increase to cover the increase in terminal benefits and WPI.

Reply of PSPCL

Refer to PSPCL reply on issue No. 22 Objection No. 5.

View of the Commission

Employee cost has been allowed after prudent check in line with PSERC Regulations. Refer para 3.10 and 4.10 of this Tariff Order.

Issue No. 10: Cross Subsidy given by the LS consumers and fixation of industrial tariff as per category-wise cost of supply

It would not be prudent to allow the cross subsidy to grow per unit. Hon'ble Commission is requested that the cross subsidy per unit charged from industrial consumers be brought down. Further, Hon'ble Commission is requested to reduce the cross subsidy burden on LS consumers and fix the tariff based on category wise cost of supply, tariff of the LS consumers may be rationalized and tariff for subsidized class may be increased.

Reply of PSPCL

Refer to the reply of PSPCL in issue no. 18 of objection no. 7.

View of the Commission

Refer to para 7.2 & 7.3 of this Tariff Order.

Issue No. 11: RSD Charges

The revenue collected from the sale of RSD power is deposited into Government treasury for maintenance of RSD. However, all the expenses are reflected in the cost of supply. Further, RSD is already overcapitalized and the consumers of the State are bearing the burnt of the overcapitalization of RSD. In such case, putting extra burden on consumer is not justified and must be avoided.

Reply of PSPCL

Refer to PSPCL reply on issue No. 20 Objection No. 5

View of the Commission

The Commission approves these charges in line Regulation 29 (a) of PSERC Tariff Regulation. Refer para 3.17 and 4.15 of this Tariff Order.

Issue No. 12: Power factor Surcharge/ Incentive for Open Access Consumption

In case of consumer availing part of its power requirement from PSPCL and part from Open Access, power factor is calculated on total power i.e. PSPCL & Open Access power, but incentive is only given on PSPCL power and not through Open Access. Hon'ble Commission is requested to examine the suggestion and pass on the benefit of PF improvement to the Open Access energy consumption.

Reply of PSPCL

Hon'ble Commission in Tariff Order for FY 2014-15 has implemented the kVAh tariff for

LS for Large Supply (General Industry), Large Supply (PIU/Arc Furnace), Bulk Supply (HT/LT), Railway Traction, Medium Supply, DS (Load more than 100 kW) and NRS (Load more than 100 kW) categories of consumers. Hence, at present no power factor surcharge or incentive is applicable to Large Supply category as the billing has been done on kVAh consumption.

View of the Commission

The Commission agrees with the reply of PSPCL.

Objection No. 9: Capt. S.S.Dhillon, IAS (Retd.), Chandigarh

Issue No. 1: Tariff applicability to Dairy farms

Dairy farms can get connection only from industrial feeders and industrial tariff is applicable along with electricity duty and meter rentals. Dairy farms may be given connection from any feeder available near to Dairy farm and be charged only tariff which is applicable to AP connection.

Reply of PSPCL

As per Tariff Order for FY 2014-15, Dairy farms are covered under relevant industrial tariff. However, keeping in view the initiative taken by Government of Punjab (GoP) to diversify the agriculture sector, Hon'ble Commission while taking decision against Petition No. 49/2013 has issued directive as per which Dairy farm consumer shall be billed under AP metered tariff instead of relevant industrial tariff subject to the payment of the subsidy by GoP towards the difference of Industrial tariff and AP metered tariff. Commercial Circular No. 04/2015 dated 11 February, 2015 has already been issued in this regard. Further, dairy farm connections are released from urban/UPS/Industrial feeders at par with the other categories of the industrial connection.

View of the Commission

Refer Schedules SI, SII & SIII of Tariff at Annexure–II (Vol. II) of this Tariff Order.

Objection No. 10: Sh. R. L. Mahajan, Ludhiana

Issue No. 1: AP Subsidy

PSPCL and Hon'ble Commission may evolve an appropriate scheme for giving free supply to deserving category and convince Government to adopt such scheme in overall interest of the State.

i) PSPCL is demanding less subsidy than cost of supply to AP consumers and wanted to burden the other consumers.
ii) Hon'ble Commission may approve at least ₹6699.25 crore (₹5.89/kWh x 11373.93 MU) as the receivable subsidy.
iii) Government of Punjab should bear the full cost of supply for giving free power supply to AP consumers.

Reply of PSPCL

As per Section 65 of the Electricity Act, 2003, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall pay the compensatory amount to Distribution Utility.

As per the current policy of the Government of Punjab, it is providing subsidy to PSPCL for compensating free power given to AP consumers. Also, it can be noted that providing such subsidy to PSPCL is the discretion of Government of Punjab.

i) PSPCL in the present petition has worked out revenue for FY 2015-16 based on present average billing rate applicable as per Tariff Order for FY 2014-15 for all categories of consumers including Agriculture. Hence, it would not be correct to say that PSPCL is demanding less subsidy.
ii) The Objector has worked out subsidy of ₹6699.25 crore based on voltage wise-category wise cost of supply. However, the Hon'ble Commission determines the

tariff based on average cost of supply. Hence, it is the prerogative of the Hon'ble Commission to determine the applicable tariff for Agriculture category and in turn the subsidy amount to be payable by the Government of Punjab.

iii) As per the present policy of Government of Punjab, it compensates the amount to PSPCL to supply free power to AP consumers as determined by the Hon'ble Commission in the respective Tariff Orders.

View of the Commission

The tariff of different categories of consumers is determined as per Tariff Policy and PSERC Regulations. The subsidy for free AP supply is accordingly determined by the Commission.

Issue No. 2: Veracity in T&D Losses

a) Hon'ble Commission is requested to examine the projected loss figures critically for truing up the previous ARR and current ARR. Further, T&D losses of 16.77% reflect the good performance of T&D system and PSPCL deserves to be congratulated for brining this improvement. PSPCL is requested to supply the comparative figures with other progressive States like Gujarat, Maharashtra, etc. for building up of consumers' confidence.

b) PSPCL may clarify that Hon'ble Commission disallows sales pertaining to AP consumption and further disallowed T&D losses.

Reply of PSPCL

a) PSPCL while computing the T&D losses has considered the AP consumption based on sample meters data. PSPCL glad to accept the appreciation regarding reduction in T&D losses. PSPCL will continue to its efforts for further reduction of T&D losses.

b) The Hon'ble Commission in previous Tariff Orders has approved AP consumption based on input energy methodology which is lower than AP consumption considered by PSPCL based on sample meter data. Considering such lower AP consumption based on input energy methodology increases T&D losses figure for PSPCL.

View of the Commission

Refer to view of the Commission on issue no. 4 objection no. 8. Also refer to para 3.2.2, 3.3, 4.1.3 & 4.2 of this Tariff Order.

Issue No. 3: Quantum of energy purchase in FY 2015-16

The reasons for buying much less power than available from three IPPs in Punjab may be clarified when the advantage of less transmission loss accrues in buying power from these IPPs.

Reply of PSPCL

PSPCL has considered the energy availability of IPPs based on date of commissioning, availability based on stabilization period and normative plant load factor which has been elaborated in petition. Further, in order to manage the demand and maintaining the energy balance, the energy of IPPs is estimated to be surrendered as per merit order and rates estimated as per PPA between the PSPCL and IPPs. Hence, to optimize the total power purchase cost, the sources from which power is cheaper than these IPPs, proposed to be scheduled first. Hence, the IPPs power has worked out much less than the availability as per merit order principle.

View of the Commission

Refer to para 4.8 of this Tariff Order.

Issue No. 4: Tariff based on Category-wise Cost of Supply

Tariff should be fixed on category-wise cost of supply and subsidies should be allowed in consonance with National Tariff Policy. Further, PSPCL may supply the information in tabular form showing tariff and cost of supply category wise.

Reply of PSPCL

As per Section 62 of the Electricity Act, 2003 and PSERC Tariff Regulations, 2005, the fixation of tariff and determination of cross subsidy level for different categories of the consumer is the prerogative of Hon'ble Commission. Further, Hon'ble Commission determines the tariff based on combined average cost of supply. The information related to voltage wise-category wise cost of supply is provided in the Cost of Supply report submitted along with the present petition. It is difficult to compare the tariff and cost of supply side by side in single table as category wise cost of supply is different at different voltage level however, tariff is applicable for all voltage level.

View of the Commission

Refer to para 7.2 & 7.3 of this Tariff Order.

Issue No. 5: Interest on security deposit against ACD and meters

PSPCL may confirm on interest paid to the consumers for the entire period up to FY 2013. Further, PSPCL may take necessary action for expeditious implementation to pay total interest on consumer deposit through bills to be issued for March, 2015.

Reply of PSPCL

Payment of interest on security (consumption) and security (meter) was given to all categories of consumers for the FY 2013-14. For updating of security registers, the Additional ACD as given by distribution organisation in the form of advices for the FY 2013-14 has been updated in the consumers' accounts.

View of the Commission

Refer to Directive no. 6.21 of this Tariff Order.

Issue No. 6: Prior Period Gaps

PSPCL should provide the following information:

i) Total revenue gap on the day PSEB was taken over by the Government.
ii) Other liabilities of PSEB which were to be taken over by the Government.
iii) Total revenue gap and other liabilities have been taken over by the Government.

Further, PSPCL should take up the matter to Government of Punjab, if necessary, for complete financial restructuring and appraise the Hon'ble Commission about the same.

Reply of PSPCL

Govt. of Punjab unbundled PSEB vide notification No. 196 dated 16.4.2010 and took over the assets & liabilities of the board. By the same notification the GOP vested these assets and liabilities in two newly incorporated entities i.e. PSPCL & PSTCL provisionally. The consultants M/S E&Y, appointed by Govt. of Punjab, finalized the opening balance sheets & prepared Financial Restructuring Plan of these companies which were approved by GOP. The Government vested final opening balance sheets as on 16.4.2010 in two companies vide notification dated 24.12.2012. No gap of erstwhile PSEB was carried forward in ARR 2015-16 by PSPCL.

View of the Commission

Requisite information has been furnished by PSPCL to the objector.

Objection No. 11: Sh. Inderjit Singh, Sr. Vice President, United Cycle & Parts Manufactures Association (UCPMA), Ludhiana

Issue No. 1: Reduction in Employee Strength

PSPCL should reduce the number of officers/officials to reduce employee cost. Highly paid officer such as Chief engineers, Superintending engineers, Executive engineers, etc. should be reduced. Technical audit, MMTS wing and enforcement wing can be easily managed and 50% reduction can be carried out immediately.

Reply of PSPCL

PSPCL has been taking continuous efforts to reduce its employee costs. The PSPCL is operating with the optimum manpower requirement and for efficient working of any organization, there is requirement of manpower at different levels, hence it would not correct to say that officials at higher level should be reduced. Further, it can be observed from employee productivity parameters that number of employees per consumer and per unit energy sold are reducing from FY 2012-13 to FY 2015-16.

View of the Commission

Refer Directive 6.8 of this Tariff Order.

Issue No. 2: Power purchase

PSPCL should purchase power from cheaper sources instead of arranging from open market.

Reply of PSPCL

PSPCL has been procuring power from different sources like own generation, Central Generating Stations, IPPs, etc. PSPCL has considered the purchase of power as per merit order stack to optimize the power purchase cost. PSPCL has already taken efforts for procurement of power from cheaper sources and is making efforts to provide its consumers 24x7 quality power supply.

View of the Commission

Refer to para 4.8 of this Tariff Order.

Issue No. 3: Quality of Fuel

PSPCL should purchase the fuel/coal having good quality to reduce the input cost.

Reply of PSPCL

PSPCL is purchasing the fuel for its own generating station from its PANEM coal mine and CIL linkages. The quality of fuel from PANEM coal mine is controlled by PSPCL. However, the quality of coal received from CIL linkages is beyond the control of PSPCL.

View of the Commission

The Commission has got conducted fuel audit of the Thermal Generating Stations & has issued an order for implementing various recommendations in the fuel audit report. The Commission is monitoring the implementation of report. Also refer directive no. 6.16 of this Tariff Order.

Issue No. 4: Free Power to employees

PSPCL should stop giving free electricity to its staff.

Reply of PSPCL

PSPCL is providing only limited free units of electricity to its staff as per the HR policy of PSPCL and matter of internal administration of PSPCL. This view is well recognised by Hon'ble Commission in previous Tariff Orders.

View of the Commission

The Commission agrees with the reply of PSPCL

Issue No. 5: Theft of Energy

PSPCL should check and stop theft of energy.

Reply of PSPCL

PSPCL is taking continuous efforts for stopping the theft of energy and controlling commercial losses. PSPCL has been able to achieve the T&D losses of 16.77% in FY 2012-13. Further, Anti Theft Police Stations have been set up to effectively deal with the theft cases. PSPCL field officers and enforcement squads make checking in routine to stop this menace.

View of the Commission

PSPCL is advised to take necessary measures to stop theft of energy.

Issue No. 6: T&D Losses

PSPCL and PSTCL should make efforts to reduce transmission and distribution losses to the minimum possible.

Reply of PSPCL

PSPCL is making concerted efforts to reduce and control the losses and is already recognized at par with some of the efficient utilities in the country. PSPCL has been able to restrict transmission and distribution losses at levels below the approved loss level. The loss reduction achieved is because of various loss reduction measures initiated by the PSPCL. This is an indication of the significant technical and operational efficiency efforts initiated by the PSPCL to reduce losses in the LT networks/ consumer categories.

View of the Commission

Refer to para 4.2 of this Tariff Order.

Issue No. 7: Defaulting Amount

PSPCL should make efforts to recover the defaulting amount from the consumers such as Punjab Police, Punjab Government, Boards, Corporation, trusts, etc.

Reply of PSPCL

PSPCL has made rigorous efforts for recovery of pending dues from Police, Punjab Government, Boards, Corporation, trusts, etc. Most of the pending dues are pertaining to high rank and essential services Government offices. Further, it is observed that Government Departments make payment as and when grant is received by them from the Government, which results in levy of delayed payment charges and interest on arrears as per Tariff schedule. PSPCL is taking consistent follow up and is making best possible efforts to recover such pending dues from such Government Offices.

View of the Commission

Refer to directive no. 6.9 of this Tariff Order.

Issue No. 8: Free Power to AP Category

Free power to agriculture consumers should be stopped. When the inputs for generation, transmission and distribution are not free then there should not be free supply to Agriculture sector.

Reply of PSPCL

As per Section 65 of the Electricity Act, 2003, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, pay the amount to compensate the person affected by the grant of subsidy. As per the current policy of the Government of Punjab, it is providing subsidy to PSPCL for compensating free power given to AP consumers.

View of the Commission

Commission agrees with the reply of PSPCL.

Issue No. 9: Enhancing Generation capacity

PSPCL should increase its own capacity for generation.

Reply of PSPCL

PSPCL is taking power from its own thermal stations and other sources like, central generating station, IPPs, etc. PSPCL has already contracted the power for meeting its demand. At this stage no further own generation is required because of surplus scenario as depicted in the ARR.

View of the Commission

PSPCL should plan its future generation requirements keeping in view possible un-restricted demand scenario for 10 to 20 years.

Issue No. 10: Loan & Interest Charges

PSPCL should reduce loan and interest charges.

Reply of PSPCL

Refer to PSPCL reply on issue no. 3 Objection no. 3.

View of the Commission

Interest charges on loans have been allowed after prudent check based on loans approved by the Commission in line with PSERC Regulations. Refer para 3.14 and 4.14 of this Tariff Order.

Objection No. 12: Sh. Kimti Rawal, President, Mahatar Sathi Jagriti Manch (Regd.), Ludhiana

Issue: Unauthorised Use of Electricity

PSPCL is fallaciously using the Section 126 of unauthorised use of electricity. Also, levying of kVAh tariff instead of kWh tariff is not justifiable for the consumers.

Reply of PSPCL

As per Section 126 of the Electricity Act, 2003, during the inspection of any place or premises by an Assessing Officer, if a consumer or person is found indulging in unauthorized use of electricity, then Assessing Officer shall provisionally assess to the best of his judgement the electricity charges payable. Further, as per Section 126(6) of the Electricity Act, 2003, such assessment shall be made at a rate equal to twice the tariff rates applicable for the relevant category.

Further, a consumer or person shall also be entitled to file objections against such assessment done by an Assessing Officer.

PSPCL is not using Section 126 of the Electricity Act, 2003 fallaciously. This unauthorised use of the electricity is not permitted under the Electricity Act, 2003.

As regards the kVAh tariff, PSPCL had submitted the proposal for introduction of kVAh tariff before the Hon'ble Commission. Further, the Hon'ble Commission conducted the public hearing for receiving various suggestions and objections from the public on kVAh tariff proposal. Hon'ble Commission approved and implemented kVAh tariff for LS for Large Supply (General Industry), Large Supply (PIU/Arc Furnace), Bulk Supply (HT/LT), Railway Traction, Medium Supply, DS (Load more than 100 kW) and NRS (Load more than 100 kW) categories of consumers after verifying the proposal and only after considering the interest of the consumers.

View of the Commission

On the issue of UUE, the Commission agrees with reply of PSPCL. The kVAh tariff has been introduced by the Commission after following due process of law and is advantageous for both the consumers as well as PSPCL.

Objection No. 13: Sh. P.P. Singh, Vice President (E&U), Nahar Fibers

Issue No. 1: Delay in issuance of Tariff Order

The final decision of tariff for FY 2015-16 may be given in advance as the declaration of tariff for FY 2014-15 declared in the month of August, 2014 due to which the objector were unable to save approx. ₹30 Lakh.

Reply of PSPCL

The issuance of Tariff for FY 2015-16 is the prerogative of the Hon'ble Commission. Further, Hon'ble APTEL in its Judgement dated 11 November, 2011 in OP No. 1 of 2011 also emphasised on timely issuance of Tariff Order by State Electricity Regulatory Commission.

View of the Commission

Tariff Orders are generally issued within 120 days of taking the ARR petitions of PSPCL & PSTCL on record. However, due to some unavoidable circumstances beyond the control of the Commission, the Tariff Order may get delayed.

Issue No. 2: Peak Time/TOD Charges

It is not clear from the present petition about the peak time charges and duration for TOD consumers for the period from April, 2015 to September, 2015.

1. As the state has surplus power hence, the charges of 10 paisa per kVAh should not be charged on account of arrangement of power or alternatively the rate should be reduced to 5 paisa per kVAh on pro rata basis.
2. Non-continuous industries who have adopted TOD tariff are more benefited because they are not running their industry in peak load hours.
3. The comparison of peak time charges for non TOD and TOD consumers shows that extra rate of ₹3 per kVAh in peak time should be reduced. Further peak time in FY 2015-16 should not be more than 3 hours as the consumer is not getting any rebate on tariff in this duration.

Reply of PSPCL

As far as the TOD charges for period April, 2015 to September, 2015 is concerned, the final decision shall be taken by Hon'ble Commission in Tariff Order for FY 2015-16 along with its tariff schedule for FY 2015-16.

1. Surplus power is available with PSPCL but on annual basis because of reduction of load during the off peak seasons. PSPCL has to procure the power during the peak time. Regarding the reduction of charge of 10 paisa/kVAh on continuous process industries, it is not recommended as costly power has to be purchased to meet with the demand if continuous process industry for all 24 hours of the day.
2. Non-continuous industries might have benefited because of shifting of load from peak hours to off-peak hours. When the power is consumed during peak load hours by non-continuous industries, the same charges are applicable as per TOD tariff decided by Hon'ble Commission
3. Non-TOD consumers were charged for consumption on demand allowed for running during peak load hours subject to the payment of extra charges based on per kVA where as under TOD actual consumption during the period 6 PM -10 PM is to be downloaded and billed at ₹3 per kVAh extra than the normal tariff as determined in Tariff Order for FY 2014-15. Comparison under such system of charging the consumers opting TOD and non-TOD is not in order, but is optional.
   Further, the consumer is getting rebate of off peak load hours at ₹1.50 paisa per kVAh for 8 hours and paying peak load charges at ₹3 per kVAh for 4 hours. In fact, the consumer is not paying any charge during peak load hours due to rebate availed and his demand to reduce the rate of peak load hours is not feasible.

Further, the impact of TOD tariff viz. impact due to extension of TOD rebate from ₹1 to ₹1.50 per kVAh, impact of TOD adjusting PLEC, etc. is to be reduced from projected revenue as submitted in the present petition. PSPCL requests the Hon'ble Commission that if any change in TOD tariff applicability in tariff for FY 2015-16 is made, the impact of the same shall also be considered.

View of the Commission

Refer to para 5.3 & 7.2 of this Tariff Order.

Objection No. 14: Sh. Bhushan Abbi, President, Moti Nagar United Factory Association

Issue No. 1: Installation of Sub-meter

If industrial units install sub-meter in one premise, PSPCL considers it theft of energy and imposes heavy fine on the consumer. Such practice should be stopped with immediate effect and sub-meter should be allowed by PSPCL.

Reply of PSPCL

The objection submitted is not relevant to the present exercise of ARR Petition. However, installation of meters and other supply conditions shall be as per PSERC (Electricity Supply Code and Related Matters) Regulations, 2014.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 2: SP and MS Connections

Connections up to 50 kW should be considered as SP connections and connections up to 200 kW should be considered as MS.

Reply of PSPCL

Determination of tariff and its applicability is the prerogative of the Commission as per Section 62 of the Electricity Act, 2003 and PSERC Tariff Regulations, 2005, as amended from time to time. Also, the applicability of tariff is as per the tariff schedule issued by the Hon'ble Commission in respective Tariff Order and Regulation 4 of the PSERC (Electricity Supply Code and Related Matters) Regulations, 2014.

View of the Commission

No rational for changing the classification of consumers has been given by the objector. However, contract demand system has been introduced for MS Category consumers so as to enable the consumers, to add load as per their requirements without changing supply voltage.

Issue No. 3: Hike in power tariff

Government of Punjab is giving free electricity to farmers. The farmers are selling the electricity to various shops from the same tubewell meters and theft of energy cases should be initiated against such farmers.

Also PSPCL purchases electricity at ₹3 per unit and sells at ₹8 per unit to the consumer which is highest amongst neighbouring states. It is requested for no hike in power tariff, rather rates should be reduced so that industry of the Punjab could survive.

Reply of PSPCL

As per Section 65 of the Electricity Act, 2003, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, pay the amount to the Distribution utility. As per the current policy of the Government of Punjab, it is providing subsidy to PSPCL for compensating free power given to AP consumers. Further, it can be noted that providing such subsidy to PSPCL is the discretion of Government of Punjab.

Further, PSPCL field officers/officials and Enforcement Squads are making raids, if any such report is received. They are also checking connections in routine. Any specific case can be reported for action.

Further, determination of tariff depends on the average cost of supply which includes not only power purchase cost but also the other expenses like O&M expenses, depreciation, Interest charges, etc. The Hon'ble Commission in Tariff Order for FY 2014-15 has determined the tariff after considering the increase in average cost of supply from ₹5.73 per unit to ₹5.88 per unit. The determination of tariff structure and applicability is the prerogative of the Hon'ble Commission only.

Further, PSPCL is committed to supply 24x7 reliable and quality power supply to its Industrial consumers. In previous years, various benefits such as increase in TOD rebate, rebate on high voltage sale, kVAh tariff, etc. are provided to Industrial consumers to make viable tariff for Industrial consumers. Hon'ble Commission is requested to take an appropriate view of the revenue gap submitted in the present petition.

View of the Commission

Providing subsidy to any category of consumers is the policy decision of the State Government. The Commission allows expenses after prudent check and in line with the regulations.

Objection No. 15: Sh. Avtar Singh, President, CICU, Ludhiana

Issue No. 1: Quality Power Supply

Quality power should be provided for 24 hours and frequently scheduled power cuts with poor power supply must be controlled at all costs.

Reply of PSPCL

PSPCL is continuously making efforts for 24x7 quality power supply to its consumers. PSPCL has improved in terms of reduction in power outages and increased power availability. Moreover the Distribution system is regularly maintained and is being strengthened under R-APDRP schemes in 47 no. towns of Punjab.

View of the Commission

PSPCL should ensure uninterrupted & quality power supply to all categories of consumers.

Refer to directive no. 6. 28 of this Tariff Order.

Issue No. 2: Adoption of Technology

Latest technology in grid management and automation in distribution system should be adopted for fast reduction in maintenance costs, manpower costs and distribution system losses.

Reply of PSPCL

PSPCL has also emphasised on the implementation of latest technology for improving operational efficiency. PSPCL considered implementation through R-APDRP schemes which have been considered in the capital investment plan. PSPCL requests the Hon'ble Commission to allow capital investment plan and allied expenses so as to expedite implementation of new technologies and IT initiatives, besides this loss trajectory are being fixed in this regard by PSERC.

View of the Commission

The Commission has been issuing various directives for introduction of new technologies & best practices in the field of distribution for better consumer service. Refer to the directives issued by the Commission in Chapter 6 of this Tariff Order.

Issue No. 3: Power to AP Category

Power supply to agriculture sector should be provided at prevailing rates as there is always misuse of free facilities in any kind.

Reply of PSPCL

Refer to PSPCL reply on issue no. 8 Objection No. 11.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 4: Own Power Generation

Benefit of own power generation at cheaper rates should be passed on to all consumers. Also, Industrial category should be specially benefited on account of this being maximum contribution to revenue.

Reply of PSPCL

After considering the quantum of own thermal generation, PSPCL considers the remaining quantum to be purchased from the other sources like Central Generating Stations, Other Generations in State, IPPs, etc. Further, while computing the ARR, PSPCL has considered the fuel cost pertaining to generation from its own thermal plants. Hence, the benefit of purchase of such power is always considered in ARR which is considered by Hon'ble Commission while fixing the tariff of different categories.

View of the Commission

The Commission process the ARR according to notified Regulations & determines the gap after prudent check of the expenses. The tariff of various categories is determined as per notified Regulations.

Issue No. 5: Improving Financial Health

PSPCL need to have long term planning to improve financial position and repeated tariff revisions to get temporary relief will not serve the purpose.

Reply of PSPCL

PSPCL is the distribution licensee and under regulated regime, the PSPCL is allowed to recover the cost only after approval of the Hon'ble Commission. However, during previous years, because of certain disallowances made by Hon'ble Commission, PSPCL was not able to recover all its expenses and has to borrow from outside to meet such expenses. It has deteriorated the financial position of the PSPCL. Hence, to get the justified revision in tariff is the only way to improve the financial position of PSPCL.

View of the Commission

The Commission processes the ARR as per its notified regulations and accordingly revises the tariff for various categories of consumers to recover the gap determined on prudent check of the expenses. The Commission has been laying down a road map for improving the financial health of the utility through various directives in each Tariff Order, aiming at improving the financial health of the utility.

Objection No. 16: Sh. Avtar Singh, President, CICU, Ludhiana

Issue No. 1: State Policies

The poor financial condition of PSPCL can be mended if there is will to change the policies of the PSPCL & Punjab Govt.

Reply of PSPCL

In the regulated regime, being the distribution licensee, the business of PSPCL is regulated by various regulations and Orders of the Hon'ble Commission. PSPCL and Government of Punjab are always making their efforts to improve its financial conditions and requesting the Hon'ble Commission to allow genuine expenditure to recover through the tariff.

View of the Commission

Refer to view of the Commission on issue no. 5 objection 15.

Issue No. 2: Defaulting Amount

The Government and other Boards / Trusts / Corp./ Religious Bodies are biggest defaulters in payment of power bills in the Punjab State.

Reply of PSPCL

PSPCL has taken rigorous efforts for recovery of pending dues from the Government Departments/trusts/religious bodies, etc. Most of the pending dues are pertaining to high rank and essential services Government offices. Further, it is observed that Government Departments make payment as and when grant is received from the Government, which results in levy of DP charges and interest on arrears as per Tariff schedule. PSPCL is taking consistent follow up and is making best possible efforts to recover such pending dues from Government Offices.

View of the Commission

Refer to directive no. 6.9 of this Tariff Order.

Issue No. 3: Theft of Energy

There is little check on unauthorized/illegal (kundi) connections.

Reply of PSPCL

PSPCL is regularly monitoring the unauthorized and illegal connections and take appropriate action against such illegal use of electricity as per the provisions of Electricity Act, 2003.

View of the Commission

PSPCL is advised to check regularly theft of energy in any form.

Issue No. 4: Technology Implementation

PSPCL needs to adopt latest cost effective technology and compact man less power plants/ sub stations to reduce its operation cost.

Reply of PSPCL

PSPCL is always keen to implement to new technologies in the distribution system to improve process efficiency. PSPCL is implementing IT system under R-APDRP schemes in 47 towns and out of which 8 towns has been declared “Go Live” status. Projects under the R-APDRP program shall be taken up in Two Parts. Part-A shall include the projects for establishment of baseline data and IT applications for energy accounting/auditing, IT based consumer service centres as well as SCADA/DMS Implementation. Part-B shall include regular distribution strengthening projects. Further, GIS work has been completed in 24 nos. towns and will be completed in rest of the 23 nos. more towns shortly. The billing application has been largely stabilized leading to correct, complete & timely billing. Most of software gaps in MBC & MDAS modules have been plugged. Further, it is submitted that EIC/IT is working on the pilot project of smart grid which was announced by the Ministry of Power.

View of the Commission

Refer view of the Commission on issue no. 2 of objection no. 15.

Issue No. 5: Improvement in Efficiency

Instead of increasing the internal efficiency of the supply system to reduce losses, PSPCL goes for power cuts and hike in rates which is not the real solution to this problem. The Punjab Govt. and PSPCL need to take positive long term steps to tackle this problem. Repeated tariff revisions to get temporary relief will not serve the purpose. The PSPCL needs to make earnest efforts to increase its own generation capacity. The purchase of power from open demand driven market should be stopped forever.

Reply of PSPCL

Refer PSPCL reply on issue no. 3 Objection No. 2 regarding increasing internal efficiency of supply system. As regards the increase in own generation capacity, it is submitted that at present PSPCL has enough contracted capacity to meet its demand and already surrenders the power from such contracted capacity. Hence, the option of increasing generation capacity may be considered in future, if required.

View of the Commission

Refer to view of the Commission on issue no. 5 of objection no. 15 and issue no. 9 of objection no. 11.

Issue No. 6: Payment of Subsidy

Subsidy should be reimbursed by the Punjab Govt. directly to the needy customers instead of routing through PSPCL. Reimbursement of subsidy to the PSPCL requires to be mentioned to ensure that the burden of subsidy is passed on to deserving category of customers.

Reply of PSPCL

Refer to PSPCL reply on issue no. 8 Objection No. 11.

View of the Commission

Subsidy is paid by GoP as per its policy for free supply to AP consumers, SC/DS consumers and BPL/DS consumers.

Issue No. 7: Quality Power Supply

Supply of electricity can become profit making business. Quality power supply should be provided for 24 hours. Frequent scheduled/unscheduled power cuts with poor power supply must be controlled at all costs.

Reply of PSPCL

PSPCL is continuously taking efforts for 24x7 quality power supply to its consumer. PSPCL has improved in terms of reduction in power outages and increased in availability. The improvement in reliability of supply is ensured and all planned shut downs are given in newspapers or media besides flashing of telephonic message/uploading on websites.

View of the Commission
Refer to directive no. 6.28 of this Tariff Order.

Issue No. 8: Employee Cost
Although the number of employees has reduced due to retirements but the employee cost is still increasing. It means there will be no relief to the industrial consumers.
Reply of PSPCL
Refer to PSPCL reply on issue No. 22 Objection No. 5.
View of the Commission
Employee cost has been allowed after prudent check in line with PSERC Regulations. Refer para 3.10 and 4.10 of this Tariff Order.

Issue No. 9: Power Purchase Cost
a) The purchase of power from external sources is increasing every year which results in escalation in input cost of energy prices. PSPCL should make efforts to arrange more power from the central pool or other cheaper sources rather than purchasing from open market.
b) The cost of power in lean periods is less but it is high when purchased in peak summer for rice growing. This extra high cost energy is purchased solely for subsidized agriculture sector. The amount of subsidy is calculated by taking the average cost of power. In this way the additional burden of subsidy is passed on to the industrial consumers. The Government of Punjab should go for alternative crops and must decrease the paddy field. It will result in saving of costly energy and avoid the depletion of water level in the State. The extra cost of energy shall not be passed on to the industrial consumers. The industrial sector is already becoming sick day by day due to increase in cost of electrical energy.
c) PSPCL and Punjab Govt. should ensure the timely completion of Thermal Power projects by removing all obstacles so that cheaper power is available in this summer season.

Reply of PSPCL
a) PSPCL takes power mainly from Thermal Generation in the State as well as purchase of power from Central Generating Stations and IPPs for supplying power to the consumers. This cost of power increases every year for reasons beyond control of PSPCL such as increase in coal cost, transportation cost and increase in tariff by CERC for CGSs etc. Further, it is submitted that the average power purchase cost of ₹4.18 per unit as approved by Hon'ble Commission in Tariff Order for FY 2014-15 is re-estimated at ₹4.10 per unit. The average power purchase cost is estimated at ₹4.37 per unit for FY 2015-16. PSPCL has estimated the power purchase cost based on available Tariff Orders for the generators and best available secondary information. PSPCL has been making the best possible efforts to optimize the power purchase cost. While estimating the power purchase cost, PSPCL has also considered the purchase based on merit order stack so as to optimize its cost. The additional energy available with PSPCL also envisaged for direct sale or sale through banking so as to minimize the power purchase cost.
b) Hon'ble Commission has determined the tariff based on average cost of supply. Further, providing the subsidy to the AP consumers is the discretion of the Government of Punjab.
c) The timely completion of thermal power projects in the State and removing the all obstacles is not within the control of the PSPCL.

View of the Commission
Refer to para 4.8 of this Tariff Order.

Issue No. 10: Fuel Cost
The cost of fuel is major input cost resulting in cost of electrical energy. It can be easily reduced about 10% by limiting the transit losses/theft to less than 0.5%, quality checks during purchase of coal having high calorific value at competitive rates and operating the thermal power station at optimism load and increasing the efficiency of the plant by fine tuning of the entire auxiliary equipment.
Reply of PSPCL
The internal control system and procedure for monitoring the quantity & quality of coal is already in place and is functioning effectively. This has resulted in reduction of transit losses and improvement in quality of coal. However, PSPCL will continue its effort to further improve the efficiency level. PSPCL makes all efforts to operate the thermal stations at optimal load and timely maintenance and overhauling of the plants and equipments are done to maintain operational efficiency.
View of the Commission
Refer to view of the Commission on issue No.3 objection no. 11. Also refer to para 4.7 of this Tariff Order.

Issue No. 11: Facility of free power to Employees
Facility of free power (limited to some units) to its officers/officials should be stopped.
Reply of PSPCL
Free supply to the employees is as per the HR policy of PSPCL and is part of benefits being given to the employees.
View of the Commission
The Commission agrees with the reply of PSPCL.

Issue No. 12: Recovery of defaulting amount/Bad debt
Some part of defaulting amount pertains to Govt. Departments, which needs to be recovered without any further delay. The amount of subsidy which is not paid by Punjab Govt. should be shown as bad debt.
Reply of PSPCL
PSPCL has made rigorous efforts for recovery of pending dues from the Government Departments/trusts/religious bodies, etc. Most of the pending dues are pertaining to high rank and essential service Government offices. Further, it is observed that Government Departments make payment as and when grant is received from the Government, which results in levy of DP charges and interest on arrears as per Tariff schedule. PSPCL is taking consistent follow up and is making best possible efforts to recover such pending dues from Government Offices. Further, amount of outstanding subsidy from Government of Punjab cannot be shown as bad debt as the same is considered separately.
View of the Commission
Refer directive no. 6.9 of this Tariff Order.

Issue No. 13: Theft of energy
Controlling of theft of energy is most effective way to reduce load on feeder and reduction in T&D loss.
Reply of PSPCL
PSPCL has also been consistently working towards curtailing theft, pilferages etc. Further, the internal control system and procedure for monitoring sale and billing is already in place and is functioning effectively. This has resulted in reduction of theft and losses. However, PSPCL will continue its effort to further improve the efficiency level & reduce theft.
View of the Commission
Refer to the view of the Commission on issue no. 5 of objection no.11.

Issue No. 14: Energy Audit and T&D Losses
AT&C losses (not T&D) are required to be brought to below 15% limit with annual sustained improvement as per MoP guidelines under APDRP.
Reply of PSPCL
PSPCL has been able to achieve substantial reduction in T&D losses from above 25% in previous years to 16.77% in FY 2012-13 and 16.89% in FY 2013-14. Considering the geographical spread of the service area and consumer base of PSPCL, it is indicative of the efficient performance of the PSPCL. PSPCL has already achieved the T&D loss level of 16.89% which includes transmission loss of 2.50%. PSPCL's distribution loss level of 14.39% (excluding 2.5% of transmission loss) has already been at stagnancy and at this stage, it is important to maintain the current loss level as further reduction would be difficult.
View of the Commission
Refer to para 4.2 & directive 6.27 of this Tariff Order.

Issue No. 15: Interest Charges and Subsidy
a) The financial position of the PSPCL is very precarious and it can be safely concluded that finances of PSPCL are totally in mess.
b) The loan is increasing every year.
c) Similarly every year the interest amount on loan has been increasing drastically.
d) PSPCL has not given its financial turnaround plan as to how and when it will be out of the red and customers will not have to pay for the interest on loan.
e) The gap left un-plugged is in crores even after increasing the tariff.
f) Similarly the subsidy bill is increasing every year. There is shortfall in reimbursement of subsidy by the Govt. every year. It will further lead to increase in debt and expenses due to interest. Industry is the most sufferer.
g) Interest payment should be worked out through loan bailout by the Govt. or through asset selling (spare land/ building etc.) and should not be passed on to the customers. There is enough land with PSPCL, which can be spared (and sold to repay the loans) by constructing the multistory buildings & compact power substations.
h) Subsidy to schedule caste/ weaker sections of the society should be given in cash by the Govt. instead of providing free electricity as it will lead to saving in use of energy.
i) The impact of interest due to loans and subsidy should be worked out clearly and should be paid by the Punjab Govt. and no part of it should be passed on to the other category of customers through cross subsidy.
j) Exact cost of supply to all categories should be worked out with actual rate of unit purchased for the purpose instead of average cost of energy as during the period of paddy is much higher and such difference has impact on the tariff.
k) Equity to loan ratio is decreasing day by day as the equity is constant and the loan is increasing every year. Pay back to equity is much less as compared, so efforts should be made to increase the equity.

Reply of PSPCL
a) The objection raised is just an unreasoning statement. The same need to be concluded with the substantial facts and figures.
b) & c) PSPCL is taking the loans for capital investment schemes projected for new supply release and system augmentation for generation and distribution functions. Further, it is submitted that the Working capital loans are taken for meeting the working capital requirements of PSPCL and funding the revenue gap/expenses disallowed by the Hon'ble Commission in past Tariff Orders. However, the Hon'ble Commission in Tariff Order allows interest on working

capital on normative basis. The loan requirements are increasing each year to meet the requirement of PSPCL.

The interest cost has been increased due to increase in loans. The Hon'ble Commission approves the interest charges on normative basis which does not tally with the actual working capital requirements of PSPCL. Again, PSPCL has to compensate the disallowance of expenses (which is even more than the ROE amount) by the Hon'ble Commission by raising short term loans. Hence PSPCL is forced to take short term borrowings from market to meet its day-to-day expenses. Moreover, Commission allows the rate of interest at SBI advance rate instead of actual interest rate.

Further, PSPCL had to take short term loans to replace re-called Government of Punjab (GOP) loans and adjustment of subsidy towards RBI bonds issued under tripartite agreement between CPSUs, GOI & Govt. of Punjab. Further, in regard to interest on the bridge loan taken by PSPCL to fund the delay in subsidy payment by GOP, the Hon'ble Commission may direct GOP accordingly.

d) PSPCL has filed the ARR & Tariff Petition in accordance with The Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005 as amended from time to time along with the prescribed formats. All the information required as per the above regulations has been provided.
e) No reply has been sought.
f) The figure of subsidy indicated in the Petition as per ARR for the year FY 2012-13 to FY 2015-16 which is subject to true-up, review and determination by Hon'ble Commission. There is no shortfall in reimbursement of subsidy by GOP. Further, it is submitted that subsidy of ₹809.14 crore is pending out of ₹5109.40 crore for FY 2014-15 as on 31 December, 2014. The same is expected to be received till completion of financial year.
g) Financial assistance by government to improve the cash flow position of PSPCL is to be decided by the GOP.
h) Deciding on the subsidy is the prerogative of GOP.
i) Interest claimed in ARR relates to loans taken for capital works undertaken and working capital and therefore has been proposed to be recovered through tariff. Further, subsidy burden is not passed on to the consumers of other categories through cross subsidy.
j) PSPCL purchases power to meet the requirement of consumers across all categories and not category wise.
k) Infusion of fresh equity is the prerogative of GOP.

View of the Commission

a) Refer to view of the Commission on issue no. 5 objection no. 15.
b) Loan is approved after prudent check as per PSERC Regulations.
c) Interest charges are allowed on loans approved by Commission after prudent check and in line with PSERC Regulations. (Refer Para 3.14 and 4.14 of Tariff Order)
d) Refer to view of the Commission in issue no. 5 objection no. 15.
e) Gap is determined by the Commission on the basis of approved expenses/income and as per PSERC Regulations.
f) Amount of subsidy is calculated on the basis of consumption (AP/DS/BPL/SC) approved by the Commission. The subsidy is to be paid in advance monthly installments. Interest is charged on any delay in payment of subsidy.
g) It is a policy decision of GoP.
h) It is a policy decision of GoP.
i) The Commission agrees with the reply of PSPCL. However, Interest & Financing Charges are determined as per Tariff Regulations.
j) The Commission agrees with the reply of PSPCL

k) Relates to GoP.

Issue No. 16: Reduction in Subsidy
The problems & quantum of subsidy amount should be reduced drastically by conscious planning with long term vision by Government of Punjab such as reducing the area under paddy fields with alternate suitable cropping pattern implementation and levying some suitable tariff instead of total free electricity.

Reply of PSPCL
As per the current policy of the Government of Punjab, it is providing subsidy to PSPCL for compensating free power given to AP consumers. Further it can be noted that providing such subsidy to PSPCL is the discretion of Government of Punjab.
View of the Commission
The subsidy payment is the policy decision of State Govt. in accordance with section 65 of EA-2003.

Issue No. 17: Financial Restructuring
Loan bailout plan through waive off / repayment by selling the non performing assets etc should be worked out without further delay so that heavy interest expenses should not affect the tariff.
Reply of PSPCL
PSPCL has taken a note of the suggestion. However, implementation of such policy is subject to the decision of Management of PSPCL and Government of Punjab.
View of the Commission
Financial restructuring plan has already been issued by GoP.

Issue No. 18: Control in Expenditures
PSPCL is a service sector utility and it should operate at optimum efficiency by reducing its overhead charges maintaining the minimum possible employee/customer ratio. It should increase its productivity and reduce its losses by introducing the latest technologies rather than charging extra cost from the consumers.
Reply of PSPCL
PSPCL has improved its efficiency in past years by reducing the T&D losses to level of 16.77%. Also, the latest technologies are also being implemented under R-APDRP schemes. Further, as regards the employee productivity parameters as submitted in Format 10 of the Petition, it is observed that employee/1000 customer's ratio is reduced from 6.08 for FY 2012-13 to 4.30 for FY 2015-16.
View of the Commission
Expenditure under different heads is allowed by the Commission after prudent check in line with PSERC Regulations. Refer directive no. 6.8 of this tariff Order.

Issue no. 19: New Sub-station Planning
More and more power transformers are being added at existing grid substations in the cities instead of erecting new substations near the load centre. New substations are being proposed/ erected at technically-non-suitable locations under compulsions, resulting in more T&D losses and poor quality of power.
Reply of PSPCL
As regards the system augmentation by adding higher substation, the PSPCL has considered the same while projecting the capital investment plan for distribution functions. The project wise details of the same have already been submitted in the reply of deficiency.
View of the Commission
Creation or augmentation of grid sub-station depends on techno-commercial considerations. New grid sub-stations should be at load centres.

Issue No. 20: System Improvement

The climate of Punjab State changes suddenly every 2-3 months and during the heavy rain/ storms, all feeders get tripped. On those days the demand decreases due to tripping of all the feeders and drastic fall in temperature and thermal plants of PSPCL run without load. It is felt that it may not be possible to re-energise all feeders in short span of time to ensure continuity of supply under all weather condition. But few feeders have prominent/ bulk industrial & commercial loads (which are independent of weather) should be robust be enough to withstand it, so that power is used and billed in that period. PSPCL should submit the total loss incurred in the year on this account and steps taken to avoid such situations in the future.

Reply of PSPCL

The issue raised is not related to the present ARR petition; however, it is much more related to system operation. PSPCL is efficiently operating its system considering the system conditions and change in supply and demand. PSPCL has submitted the data in the present petition regarding the loss of generation due to backing down instructions issued by SLDC which is also on account of grid safety.

View of the Commission

The outages on feeders should not exceed the limits specified in Standards of Performance notified by the Commission.

Issue No. 21: High Cost of Power

With the increase in the per unit price of electricity consumed in the way proposed by the PSPCL will lead to exorbitant rise in input cost of the industry and it will have no option but to close their units or shift to other states.

Reply of PSPCL

Per unit price of electricity in the State is much more competitive. Also, PSPCL is supplying 24x7 power supply to the industry consumers considering their importance of usage. Hence, if industry category consumers feel that they are paying higher tariff, the quality and availability of supply is also much better than other category of consumers. Also, industrial category consumers are also availing other benefits like kVAh tariff, ToD tariff etc. as decided by the Hon'ble Commission.

View of the Commission

Refer para 4.8 of this tariff Order.

Issue No. 22: Power purchase Planning

PSPCL is claiming power surplus scenario in coming financial year, on the other hand it is demanding the tariff revision from PSERC. What is the benefit of power plant being commissioned in the state by private players to the PSPCL customers? PSPCL will be procuring less power from outside the state as it has surrendered few old power purchase MoUs. The alternate power shall be at cheaper rates and there shall be saving in interstate wheeling charges also. This benefit shall be passed on to the customers rather than to adjust it in the subsidy being given to certain class of PSPCL customers.

Reply of PSPCL

Punjab state is having surplus power but such surplus is on annual basis because of reduction of demand during night hours. However, during the peak hours, the purchase of power increases and PSPCL has to purchase such power to meet the demand. PSPCL while considering the power purchase cost has taken into account this aspect of surplus power and such power purchase cost is considered in ARR by PSPCL. Hence, the benefit of surplus power has already been considered in ARR. Apart from the power purchase cost, ARR also includes the O&M expenses, Capitalisation, depreciation, interest expenses, etc. The PSPCL has estimated the such expenses based on tariff regulations and principles stipulated in past tariff orders and has proposed that such ARR and revenue gaps is to be met by increase in tariff.

Further, while estimating the power purchase cost, PSPCL has also considered the energy availability from IPPs in the State i.e., Talwandi Sabo, NPL and Goindwal Sahib based on date of commissioning; availability based on stabilization period and normative plant load factor and fixed charges as per provisions of PPA. PSPCL has estimated the units to be surrendered based on merit order principle. However, in real time basis, this impact may change considering the change in merit order and scheduling of the plants. PSPCL has been making the best possible efforts to optimize the power purchase cost. While estimating the power purchase cost, PSPCL has also considered the purchase based on merit order stack so as to optimize its cost.

View of the Commission

Refer to para 4.8 of this Tariff Order.

Issue No. 23: Coal Pit Heads Plants

Since carriage of coal is much costlier than transmission of power, there are no efforts to install thermal plants at the coal pit heads. No subsidy has been offered in Punjab and there is no attractive policy for installing the roof top solar panels for the domestic customers, which shall replace the DG sets and invertors which will result in addition of power at the load centres.

Reply of PSPCL

Under the Electricity Act, 2003, the generation activity is de-licensed and commissioning of new thermal power plant is not under the purview of the Hon'ble Commission. It is the choice of the developer to select the site of the thermal power plant. PSPCL has entered into power purchase agreements with various thermal power plants including coal pit head plans and optimizes its power procurement requirement. Further, the introduction of attractive policy of roof-top solar panel is not under purview of the PSPCL.

View of the Commission

Punjab Government has already notified roof top solar system policy and the Commission has invited public comments on draft regulations. Regarding setting up of thermal plants, the Commission agrees with the reply of PSPCL.

Issue No. 24: State Policies

On the one hand benefits are given by the State Govt. for investment in Punjab on the other hand no relief is being given to the existing units which are getting sick day by day and moving out of state.

Reply of PSPCL

Providing the benefit for investment in Punjab and other policy related issues are under the purview of the Government of Punjab and is sole discretion of the Government of Punjab only.

View of the Commission

This is policy matter of the State Govt.

Issue No. 25: Review of Voltage Level for Industrial Township

PSPCL customers are required to get connection on 66 kV voltage level for loads above 2500 KW by installing their own 66 kV substations which require investment with crore of rupees. Moreover the land cost in Punjab is too high which leads to disputes, court cases, right of way problems. The cost of getting a connection at 33 kV costs only 10 to 20% higher than that at 11 KV. Hon'ble Commission should instruct the PSPCL to restore 33 kV voltage level for Industrial Township.

Reply of PSPCL

PSPCL is releasing the supply to the consumers for requisite applied load at appropriate voltage level based on the tariff schedule issued by the Hon'ble Commission in the respective tariff Order and Regulation 4 of PSERC (Electricity Supply Code and Related Matters) Regulations, 2014. Hon'ble Commission may take an appropriate view on the issue raised by the Objector and consider the load limit accordingly.

View of the Commission

As per Regulation 4.2 of the Supply Code 2014, Large Supply consumers with Contract Demand exceeding 2500 kVA but not exceeding 20 MVA can be released on 33/66 kV as per availability of voltage at the nearest feeding sub-station.

Issue No. 26: System Up gradation of Industrial Feeders

All category-II feeders feeding the industry has been left out for system up-gradation schemes under R-APDRP schemes. Hence, PSPCL is charging higher tariff from industrial consumers and no improvement is proposed to ensure the reliability of supply to industry.

Reply of PSPCL

PSPCL has undertaken the system up-gradation and network improvement schemes under R-APDRP which also includes the industrial area in the 47 number towns in State. The R-APDRP primarily aims at reducing Aggregate Technical and Commercial (AT&C) losses in Urban areas. It is a necessary condition of the scheme that the utilities would need to demonstrate performance improvement for availing financial benefits provided under the scheme. Further, system up-gradation and network improvement schemes other than R-APDRP schemes are also proposed by PSPCL in the capital investment plan submitted. The reliability for supply to industrial category of consumers is always taken care by PSPCL.

View of the Commission

PSPCL should ensure adherence to Standards of Performance specified by the Commission.

Objection No. 17: Sh. Gurmeet Singh Kular, FICO, Ludhiana

Issue No. 1: Octroi

The Octroi was abolished in Punjab from last seven years but still there is Octroi on electricity. The same should also be abolished.

Reply of PSPCL

The decision for making applicability of Octroi on the electricity is prerogative of the Government of Punjab. Hence, the Objector may approach the Government of Punjab in this regard.

View of the Commission

This is a policy decision of the State Government.

Issue No. 2: Electricity Duty

VAT should be applicable on electricity because electricity is a raw material for industry.

Reply of PSPCL

The decision for charging VAT on electricity duty is prerogative of the Government of Punjab. Hence, the Objector may approach the Government of Punjab in this regard.

View of the Commission

Levy of tax/cess/duty is the prerogative of the State Government.

Issue No. 3: Peak Load charges & Surplus power

Peak load charges should be abolished as now Punjab is surplus state. Being surplus power State, Government should think on rates to be decreased so that industry can get relief.

Reply of PSPCL

Peak load charges are pertaining to the purchase of power during peak hours. It is true that the Punjab state is having surplus power but such surplus is on annual basis because of reduction of demand during night hours. However, during the peak hours, the purchase of power increases and PSPCL has to purchase such power to meet the demand. PSPCL while considering the power purchase cost has taken into account this

aspect of surplus power and such power purchase cost is considered in ARR by PSPCL. Hence, the benefit of surplus power has already been considered in ARR.
Further, the determination of rates applicable for industrial tariff is the prerogative of Hon'ble Commission as per Section 86, 61 and 62 of the Electricity Act, 2003.
Further, PLEC charges are levied because of requirement of additional transmission system e.g., if the average demand is 600 MW and peak demand during peak load is 1000 MW then to meet the enhanced load requirement during peak time, PSPCL has to have additional transmission system and hence PLEC charges are levied to meet the additional expenditure towards the same.

View of the Commission

Refer to para 5.3 of this Tariff Order. The Commission processes the ARR as per its notified regulations and determine the gap after prudent check.

Issue No. 4: No increase in Tariff

Hon'ble Commission is requested not to allow PSPCL to increase the tariff.

Reply of PSPCL

PSPCL has determined the revenue gap after truing up for FY 2012-13 and revised estimates for FY 2014-15 and FY 2015-16. To meet these revenue gaps, the justified hike is required in tariff. PSPCL prays the Hon'ble Commission to take an appropriate view on the revenue gap proposed by PSPCL in ARR petition for FY 2015-16 as per PSERC Tariff Regulations, 2005 while determining the tariff for FY 2015-16.

View of the Commission

The Commission determines the tariff as per its Tariff Regulations. Also refer para 7.2 of this Tariff Order.

Objection No. 18: Dr. Satish Thaman, Member, Distt. Ludhiana West Sub-division Grievances Redressal Committee

Issue No. 1: Special Facilities for Senior Citizens

Special facilities shall be provided to senior citizens in terms of subsidy or concession in tariff as per age viz. 65 years, 70 years, 75 years, 80 years, etc. Further, no security from senior citizen may be collected for new connection.

Reply of PSPCL

As per Section 62(3) of the Electricity Act, 2003, Hon'ble Commission while determining the tariff may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. This Section does not provide the classification based on age of person using the electricity. Further, it is submitted that tariff to domestic sector is already subsidised compared to other category of consumers. Further, PSERC (Electricity Supply Code and Related Matters) Regulations, 2014 does not provide any special concession or waiver of security to Senior Citizen. Hence, recovery of security for getting connections cannot be waived, as this amount is to safeguard the revenue of the PSPCL. PSPCL is also giving interest on this security deposited by the consumer. Further, matter regarding the Determination of Tariff and its applicability to various categories of consumers comes under the purview of Hon'ble Commission. Hon'ble Commission is requested to take an appropriate view in this regard.

View of the Commission

The Commission agrees with the reply of the Commission.

Issue No. 2: Implementation of Ombudsman Order

Hon'ble Commission is requested to issue directions to deputy Chief Engineer/Operation City East Circle, Ludhiana to give interest to the consumer for retaining the amount and delayed payment after adjusting in the bill and constitute SIT (Special Investigation Team) to enquire the whole of the issue and give the objector right of interest in view of the Ombudsman Order No. 1098/1099/OM/A-36 of 2009.

Reply of PSPCL

The issue raised by the objector is not related to the present petition filed before the Hon'ble Commission. The issue is pertaining to individual complaint and implementation of Ombudsman Order. If the objector is not satisfied with the implementation of the Ombudsman Order, he may approach the Hon'ble Commission separately on the said grievances as per the provisions of PSERC (Forum and Ombudsman) Regulations, 2005, as amended from time to time.

View of the Commission

PSPCL should comply with the various provisions of Supply Code 2014 and other regulations framed by the Commission.

Issue No. 3: Subsidy for Urban Consumers

Power subsidy may be given to the urban consumers like the rural area consumers.

Reply of PSPCL

Refer to PSPCL reply on issue no. 8 Objection No. 11.

View of the Commission

Subsidy is provided by GoP as per Govt. policy.

Issue No. 4: Loss of Revenue on Subsidy

Loss of revenue due to grant of power subsidy for providing free power in rural areas should not be recovered from urban consumers.

Reply of PSPCL

PSPCL is receiving the subsidy for providing free power to AP consumers as determined by the Hon'ble Commission in Tariff Order. It is not correct that any loss of revenue on account of this is recovered from urban consumers. Moreover, Hon'ble Commission in past Tariff Orders has determined the interest payable by Government of Punjab on late payment of subsidy.

It is further submitted that rest of the issues raised by the Objector are not related to the present exercise of ARR Petition.

View of the Commission

The subsidy to any category of consumers is to be paid by the State Government in advance monthly instalments and other categories of consumers are not burdened on this account.

Objection No. 19: Sh. H.S. Sandhu, AVP (Works), Siel Chemical Complex

Issue No. 1: Cross-subsidy

Cross subsidy level need to be calculated on cost of supply basis and also should be within ± 20% cost of supply while fixing the tariff. As per Hon'ble Supreme Court Judgment dated 10 February, 2015, Hon'ble Commission has to determine the cross subsidies as per voltage wise cost of supply.

Reply of PSPCL

Refer to PSPCL reply on issue no. 18 of objection no 7.

View of the Commission

Refer to view of the Commission on issue no. 1 objection no.5.

Issue No. 2: Submission of Audit report

PSPCL has not submitted the audited data for FY 2013-14. This delay in compiling the audited data for previous years leads to higher carrying cost of Revenue gap for two years which is to be passed on to consumers. Hon'ble Commission is requested to initiate action against this laxity of PSPCL and violation of regulations and the Act. Further, all the material submission submitted by PSPCL regarding ARR should also be made public for comments for transparency.

Reply of PSPCL

Refer reply of PSPCL in issue no. 1 of objection no. 3.

View of the Commission

The Commission has issued directive 6.18 to PSPCL for timely submission of audited accounts so that true up exercise for the relevant year is carried out at the earliest.

Issue No. 3: Abnormal Revenue Requirement

The abnormal rise projected in revenue requirements found to be artificially escalated to get high tariff increase. Such projections are required the careful consideration of Hon'ble Commission so that consumers are not burdened with undue tariff increase.

Reply of PSPCL

PSPCL has submitted the truing up for FY 2012-13 based on audited data which are actual expenses. While computing the revenue gap of ₹3348.62 crore for FY 2012-13, opening balance of revenue gap of ₹1946.31 crore is considered which was already approved by Hon'ble Commission in Tariff Order for FY 2014-15. The expenses for FY 2013-14 are considered based on provisional accounts. PSPCL has improved its operational efficiency by controlling its expenditures. However, disallowance of the expenditures and past revenue gaps by Hon'ble Commission leads to borrowing of the working capital loans and increases the interest charges of PSPCL.

Further, the methodology adopted by PSPCL for projecting the expenses for FY 2014-15 and FY 2015-16 is very well elaborated in the Petition and is in line with the regulatory principles set by Hon'ble Commission and PSERC tariff Regulations. PSPCL has computed the carrying cost on revenue gap based on the principles adopted by Hon'ble Commission in previous Tariff Orders. In view of the above, it would not be correct to say that the revenue gap figures are inflated or artificially escalated. Further, PSPCL has requested the Hon'ble Commission to take an appropriate view on the revenue gap proposed by PSPCL as per PSERC Tariff Regulation, 2005 while determining the tariff for FY 2015-16. There is nothing hidden from the consumers at large as the process followed by Hon'ble Commission for determination of Tariff is transparent and consumers are given every opportunity to present the facts in their suggestions and objections. The figures of expenditure of various input costs are based on actual data as supplied by different offices of PSPCL viz. power purchase, generation, distribution, accounts, etc. and the estimates are based on expected increase during FY 2015-16. It is incorrect to hold that revenue gap arising out of these expenses is inflated and unrealistic. Hon'ble Commission approves each of these expenses only after applying prudent check and interest of the consumers of all categories is taken care of.

View of the Commission

The Commission allows expenses after prudent check and in line with PSERC Tariff Regulations.

Issue No. 4: AP Tariff

AP tariff should be fixed in line with the National Tariff Policy and within 80% of Average cost of supply. The Commission may direct Government of Punjab to release the subsidy amount commensurate with consumption cycle of PSPCL.

Reply of PSPCL

Hon'ble Commission has progressively increase the AP tariff from ₹4.18/kWh for FY 2012-13 to ₹4.56/kWh for FY 2014-15 which is 9% increase. Hon'ble Commission has also reduced the cross subsidy level for AP from ₹1296.96 crore to ₹1142.65 crore. Determination of tariff and cross subsidy levels is within the purview of the Hon'ble Commission as per Section 62 of the Electricity Act, 2003. As regards the payment of subsidy, PSPCL is getting the subsidy payments in instalments but irrespective of the consumption cycle. We requests the Hon'ble Commission to take an appropriate view on the suggestions regarding the subsidy payment proportionate to consumption cycle and may issue directives to Government of Punjab accordingly.

View of the Commission

AP tariff fixed by the Commission is within 20% of average cost of supply. Refer paras 7.2 & 7.3 of this Tariff Order.

Issue No. 5: Capping of AP Consumption

Power supplied to Agriculture sector at subsidized rate needs to be capped year wise and power supplied above that limit should be billed as Cost of Supply worked out in ARR.

Reply of PSPCL

Increase in power consumption by Agriculture tubewells is partly due to increase in the number of tubewells and partly due to weather conditions prevailing during paddy season of June to September. Government of Punjab is effectively pursuing its policy to reduce the area under paddy cultivation and increase in the area of maize and sugarcane cultivation to reduce electricity consumption by tubewells and drawing less water to sustain underground water level as well. The increase in cost of supply of power to agriculture category will lead to increase in subsidy payable by Government of Punjab as supply to agriculture tubewells is free as per policy of the Government.

Power is available to Agriculture category for limited period of 6 to 8 hours; however, the industry consumers are availing 24x7 power supply considering their importance of usage. Hence, if industrial category consumers are paying higher tariff, the quality and availability of supply is also much better than other category of consumers. Further, industrial category consumers are also availing other benefits like kVAh tariff, ToD tariff, etc. which are not available for Agriculture category of consumers.

View of the Commission

Refer to view of the Commission on issue no. 2 objection no. 5.

Issue No. 6: Submission of ARR

PSPCL submits the expenditure during revised estimates and true up irrespective of the laid down regulations and defined caps/approvals.

Reply of PSPCL

The methodology adopted by PSPCL while estimating the expenses is very well elaborated in the petition and is in line with the regulatory principles set by Hon'ble Commission and PSERC tariff Regulations. PSPCL has computed the carrying cost on revenue gap based on the principles adopted by Hon'ble Commission in previous Tariff Orders. It would not be correct to say that PSPCL does not follow the laid down regulations. If so, the Hon'ble Commission would not have processed the Petition for public hearing. Being the distribution licensee, PSPCL is bound with the regulations framed by Hon'ble Commission.

View of the Commission

The Commission allows expenses after prudent check and in line with PSERC Tariff Regulations.

Issue No. 7: EHT Incentive

EHT consumers are not getting adequate incentive on account of heavy investment made on creating and maintaining EHT facilities by the consumer and the resultant reduction in T&D losses accruing to PSPCL. It is therefore submitted that the industrial consumers be divided into four separate distinct categories based on supply voltage levels i.e. 220/132 kV, 66 kV, 33 kV and 11 kV and voltage wise cost of supply based tariff be implemented for these consumers.

Reply of PSPCL

Hon'ble Commission in Tariff Order for FY 2013-14 had decided to adopt Cost of Supply study (Methodology-II) and observed in Tariff Order for FY 2013-14 that cost to serve at higher voltages is lesser than the cost to serve at lower voltages. The Hon'ble

Commission, accordingly, decided to approve rebate of 30 paisa/unit to consumers catered at 220/132 kV voltage, 25 paisa/unit at 66/33 kV voltage and 20 paisa/unit to DS, NRS, MS and AP/AP High-Tech categories at 11 kV voltage, and assessed the impact of this voltage rebate at ₹103.63 crore on the basis of energy sales data supplied by PSPCL.

Further, the Hon'ble Commission has now assessed the impact of voltage rebate at ₹107.17 crore on the basis of energy sales data supplied by PSPCL in the ARR for FY 2014-15. The revenue from tariff on existing rates has accordingly been reduced to this extent. The actual revenue impact will be adjusted at the time of true up. It would not be correct to say that high T&D losses are burdening the industrial consumers. Hon'ble Commission has also allowed a rebate as mentioned above keeping in view lesser amount of losses attributable to EHV/HV consumers. The level of cross subsidy shall also be getting reduced in the year to come as per objective analysis of tariff revision proposals by Hon'ble Commission keeping in view the directives contained in the Electricity Act 2003. However its elimination seems not viable in the near future due to socio-economic set up of our country.

View of the Commission

Refer to para 5.4 of this Tariff Order.

Issue No. 8: Claiming of Disallowances

The expenditure denied by Hon'ble Commission in previous orders should not be included in ARR petition. PSPCL has approached APTEL on some issues which indicate that PSPCL is not bothered to adhere to the approved expenditure.

Reply of PSPCL

PSPCL has not claimed any expenses which were disallowed by Hon'ble Commission in earlier Tariff Orders. However, it is clarified that if any expense is denied by Hon'ble Commission for respective year and PSPCL is in appeal for the same before Hon'ble ATE, then PSPCL has to claim such expenses to maintain their stand before Hon'ble ATE in next years.

Further, PSPCL files an appeal before Hon'ble ATE as per Section 111 of the Electricity Act, 2003 only when it is aggrieved by Order of the Hon'ble Commission. Hence, it would be correct to say that PSPCL is not bothered to adhere to the approved expenditure.

View of the Commission

The Commission allows expenses after prudent check and in line with PSERC Tariff Regulations.

Issue No. 9: Cross Subsidy

The concept of gradual elimination of cross subsidy has been badly ignored by the Hon'ble Commission while issuing tariff Orders, which is mandatory as per law. The Objector proposed that cross subsidy should be got eliminated in phased manner and a road map may kindly be got drawn and indicated in Tariff Order.

Reply of PSPCL

The concept of cross-subsidy is introduced to ease the burden of domestic and AP consumers, keeping in view socio economic set up of the state. The elimination of cross subsidy would not be possible, the same is also recognised while amending cross-subsidy related provisions of the Electricity Act, 2003 Amendment in 2007. The cross-subsidy can be progressively reduced.

Determination of cross-subsidy level for different category of consumers is the prerogative of the Hon'ble Commission as per Electricity Act, 2003.

View of the Commission

As per provisions of the Electricity Act 2003, the cross subsidy levels are to be gradually reduced & not eliminated. Further as per Tariff Regulations notified by the Commission, the cross subsidy is to be brought to the level of ± 20%. This milestone has already been achieved. Also refer to para 7.2 & 7.3 of this Tariff Order.

Issue No. 10: Agriculture Consumption

Power supplied to Agriculture sector at subsidized rate needs to be capped year wise and power supplied above that limit should be billed as Cost of Supply worked out in ARR.

Reply of PSPCL

Refer to PSPCL reply on issue No. 2 Objection No. 5.

View of the Commission

Refer to view of the Commission on issue no. 2 objection no.5.

Issue No. 11: Interest on Short Term Loans

Hon'ble Commission is requested not to pass on the interest on short term loans taken to meet the revenue shortfall arising out of non receipt of subsidy from the Government, disapproval of certain expenses like employee cost, R&M cost, A&G expenses. Only interest on working capital calculated according to PSERC Tariff Regulations for tariff determination should be allowed. PSPCL be asked to freeze loans & should seek approval for additional loans from PSERC.

Reply of PSPCL

Refer to PSPCL reply on issue No. 8 Objection No. 5.

View of the Commission

Interest charges on working capital loans have been approved as per PSERC Tariff Regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 12: Over-estimation of loan requirement for capital expenditure

Hon'ble Commission is requested to look into the investment projections given by the Board for a realistic assessment of the same and accordingly approve interest cost for capital work for FY 2014-15 and FY 2015-16.

Reply of PSPCL

PSPCL has planned significant capital works on various schemes of Generation, Distribution and Sub-Transmission functions and the details of the same are provided in the Tariff Petition. The Capital Expenditure plan has been made on the basis of detailed analysis of requirements of system improvement and infrastructure expansion and it is prayed to the Hon'ble Commission to approve the same and allow interest cost on the same so as to ensure power availability to all the consumers in the state so that efficiency improvements such as reduction in T&D losses beyond targets are continued to be achieved.

View of the Commission

Refer view of the Commission on issue no. 12 of objection no. 5.

Issue No. 13: Interest on Working Capital

PSPCL has also claimed interest of ₹149 crore for 2015-16 towards GPF amount of employees and similar amounts for previous years. Similarly, PSPCL has customers' security deposit with them for which it has claimed interest charges of 180 Cr. These amounts have also been used by PSPCL to meet the working capital and as such the factual WC is much more than being reflected here. In this regard, PSERC may direct PSPCL to give clarity on where these amounts have been utilized or invested and interest charges should be allowed accordingly.

Reply of PSPCL

Refer to PSPCL reply on issue no. 13 Objection no. 5.

View of the Commission

Interest Charges on Working Capital loans have been allowed after prudent check as per PSERC Tariff Regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 14: Reallocation of Ranjit Sagar Dam

The burden of overvalued asset of RSD is being loaded in tariff every year as assessed by Hon’ble ATE in its Judgement dated 26 may, 2006. In this regard, the requisite relief has not been given to PSPCL by Chatha Committee. Therefore, the issue may be reopened and new Committee is to be constituted with consumer representatives as the amount is still being appropriated to PSPCL.

Reply of PSPCL

The decision regarding reopen the issue and constitution of new Committee with consumer representatives may be taken by the Hon'ble Commission as deemed appropriate.

View of the Commission

There is no justification to revisit the already settled issue.

Issue No. 15: RSD Charges

The charges payable to Government of Punjab on power from RSD are being paid to Irrigation department for maintaining civil works of RSD and should have been charged under R&M head. Hence, such charges need to be clubbed in the head of R&M expenses.

Reply of PSPCL

Refer to PSPCL reply on issue No. 20 Objection No. 5.

View of the Commission

The Commission approves these charges as per Regulation 29(a) of PSERC Tariff Regulation. Refer para 3.17 and 4.15 of this Tariff Order.

Issue No. 16: Power Purchase Cost

PSPCL has neither given the report of consultant on review of PPAs nor worked out the liability for surrender of power in ARR FY 2015-16. Methodologies adopted or proposed to be adopted for minimizing losses to PSPCL have also not been explained in the ARR. The actual rate of power purchase is always exceeding the rate approved by Hon’ble Commission.

Reply of PSPCL

Refer to reply of PSPCL on issue no. 24 of objection no. 7.

View of the Commission

Refer to view of the Commission on issue no. 24 objection no. 7.

Issue No. 17: T&D Loss

Loss level target of 16% earlier proposed for FY 2014-15 has now been projected for FY 2015-16 by PSPCL which means that PSPCL again failed to achieve T&D losses fixed by Hon’ble Commission. Further, some regulations should be framed to ensure that norms fixed by Hon’ble Commission are achieved and PSPCL may be asked to submit their report on quarterly basis to PSERC so as to ensure that if any deviation is there in any quarter, corrective steps can be taken. Further the inefficiency of PSPCL in controlling theft, pilferages etc. should not be loaded on honest consumers because industrial consumers receive power at higher voltage.

Reply of PSPCL

Refer to PSPCL reply on issue No. 3 Objection No. 2.

View of the Commission

Refer to para 4.2 of this Tariff Order.

Issue No. 18: Employee Expenses

PSPCL is unable to find the real cause of abnormal increase in employee cost year after year compared with the increase admissible as per Regulations in spite of repeated disallowances. The demand of ₹830.50 crore for FY 2015-16 towards Progressive Funding of terminal Benefit Trusts is not understandable and needs to be rejected as the case is pending before Hon’ble APTEL. Further, increase in employees cost on the basis of wholesale price index may be allowed during FY 2015-16 by PSERC to PSPCL.

Reply of PSPCL

Refer to PSPCL reply on issue No. 22 Objection No. 5.

View of the Commission

Employee Cost pertaining to terminal benefits and BBMB expenses have been allowed on actual basis and other employee cost have been allowed by applying WPI increase on the base expenses as per PSERC Tariff Regulations. Refer para 3.10 and 4.10 of this Tariff Order.

Issue No. 19: Peak Load Exemption Charges

Hon'ble Commission may review the desirability to impose Peak Load Exemption Charges during winter months after collecting data from PSPCL as demand falls almost half of the summer/paddy months. Further, Hon'ble Commission may consider imposition of PLEC on shopping malls and other similar high end consumers to part cover the cost of power. As regards the rebate of ₹1 per unit for winter months, PSPCL has not declared the threshold consumption of the eligible consumers based on the data of last three years and is not allowing this rebate.

Reply of PSPCL

Refer to reply of PSPCL on issue no. 27 of objection no. 7.

View of the Commission

Refer to para 5.3 of this Tariff Order. PSPCL has separately informed the Commission that it has started giving rebate of ₹1 per unit and will complete the process in March, 2015

Issue No. 20: Transit loss of coal

The transit losses of coal are quite on higher side and should not be accepted by Hon'ble Commission. It is suggested that CERC norms of 0.8% transit loss of coal should be applicable for PSPCL.

Reply of PSPCL

PSPCL in the present Petition has considered the transit loss on actual basis for FY 2012-13, FY 2013-14 and FY 2014-15 (H1). Further, PSPCL has considered the transit losses of 1.5% for GNDTP and 1% for GGSSTP and GHTP for FY 2014-15 (H2) and FY 2015-16. CERC norms of 0.8% of transit loss cannot be applied for PSPCL thermal plants as they are situated at farthest end from coal mines at a distance of approx. 1500 KM and above. The transit loss of coal is not within the control of PSPCL and attributable to the following reasons:

a) Calibration of measuring instruments- Weighing of coal at two different locations having different calibration of weighing machines lead to an error more than permissible limit.
b) The transit loss occurred because of seasonal variation during the transportation of the coal which changes the moisture content of the coal during the transportation.
c) The transportation of coal happens through open wagon. As soon as the goods are loaded on the wagon, it becomes owner risk and railways disown the responsibility. It is subject to pilferages at all halts, which is beyond the control of railways.
d) During the unloading, small quantities of coal get stuck at the edges of the transport wagons due to moisture and remains undelivered to the plant, contributing to transit losses.

The limit of transit loss has already been reduced by the Commission in previous years. Hence, Hon'ble Commission is requested to approve the transit losses on actual for arriving at actual fuel cost incurred by PSPCL.

View of the Commission

Refer to para 4.7 of this Tariff Order.

Issue No. 21: kVAh Tariff

The tariff based on kVAh should be rationalised and Hon'ble Commission may look into it keeping in view the benefit accruing to PSPCL in view of improved voltage profile and reduced losses.

Reply of PSPCL

Refer to PSPCL reply on issue no. 26 Objection no. 7.

View of the Commission

The Commission approved the proposal of PSPCL for introduction of kVAh tariff after its scrutiny & following the laid down procedure.

Issue No. 22: Cost of supply and HT rebate

PSPCL be asked to firm up the data required for the cost of supply study since lot of computerization/digitization has taken place and IT practices have been introduced under APDRP schemes in PSPCL.

Further, as per recent orders of APTEL in an appeal filed by the Objector, it has been ordered that Cross Subsidy Levels be also worked out on the basis of Cost of supply and it should be ensured that these levels remain less than those of last year and should not exceed 20% limit. Further, voltage rebate be further enhanced to make it commensurate with the cost of supply.

Reply of PSPCL

For working out Cost of Supply, PSPCL gave contract to an established firm (M/s TERI) who had wide experience and conducted similar studies for a number of Electricity Undertakings in India. M/s TERI had submitted the report of the study for Cost of Supply after collecting/ analyzing the data collected from various sections of PSPCL. The study relates to voltage- wise, category-wise Cost of Supply only indicating the prevailing cross subsidization with respect to the existing tariff. M/s TERI has not given its recommendations relating to requirement of cross subsidization. The comments/ objections of various stakeholders/ consumers had been invited for obtaining their views/participation for the finalization of the said report. Thus, the views expressed by the objector are not in order. PSERC constituted a committee vide its order No. 188 dated 14.8.2012 comprising of four members of PSERC, two members from PSPCL and two representatives from consultants from M/s TERI, New Delhi in order to expedite the determination of voltage-wise and category-wise Cost of Supply.

The Cost study is unique study that requires segregation and allocation of costs incurred by the utility in making available the services to various categories of consumers. The cost accounting practice that is followed by utilities requires some assumption for the segregation and allocation of the cost to various consumer categories. It should also be appreciated that this study is first of its kind for the State. The generation and transmission costs comprise predominant part of the total cost of PSPCL i.e. more than 80% of the total cost. The cost is further subdivided on the basis of demand and consumption and is not based on assumption. The balance cost is of the distribution. PSPCL has fair idea for the distribution of these costs to various heads. As such, CoS determined is based on sound and justified rationale.

There is no difference in the loss figures taken for the calculations of CoS for the two methodologies and are as approved by Hon'ble Commission in its various Tariff Orders. T&D Loss figures for 220 KV and 132 KV consumers had been taken as 2.5% for determining CoS for 2011-12 & 2012-13. Similarly T&D losses for agriculture had been taken as 19% for 2011-12 & 18% for 2012-13 as were approved by the Hon'ble Commission in its T.O and these agriculture losses were combined for HVDS agriculture consumers and AP consumers fed on LT supply. 220 KV consumers are not equated with 400 V LT domestic consumers in the study. Cross subsidy figures for 132 KV and 33 KV were arrived as per results of CoS study.

Reasons for accepting methodology-II had been mentioned in chapter 5 of T.O. 2013-14. The results obtained with methodology-I for the year 2011-12 & 2012-13 observed that

CoS at 11 KV for industrial consumers is less than for the industrial consumers at 66 KV and 33 KV which is not acceptable, the same pattern is there in case of bulk supply and railway tractions and the results with methodology-II were realistic. Thus, the Hon'ble Commission decided to adopt methodology-II for determining the CoS for various categories of consumers. Further, fixing of Cross Subsidy levels is the prerogative of the Hon’ble Commission.

View of the Commission

Refer to view of the Commission on issue no. 28 objection no. 7.

Issue No. 23: Return on Equity

Hon’ble Commission is requested to re-determine the return on equity for all years from FY 2011-12 onwards in view of the Hon’ble ATE Judgement dated 17 December, 2014 in Appeal No. 168 and 142 of 2013 and adjust the same in ARR for FY 2015-16 along with carrying cost.

Reply of PSPCL

Refer to PSPCL reply on issue no. 9 Objection no. 5.

View of the Commission

Refer para 3.15 and 4.16 of this Tariff Order.

Issue No. 24: Power Procurement through Open Access

PSPCL need to review its working and attitude towards LS open access consumers who have to compete with the industries from the neighbouring states where the rate of power are less than the PSPCL rates and other incentives are also available. The Hon’ble Commission to take the issue of Open Access in totality and direct PSPCL to present a balanced view on Open Access.

The wheeling charges should cover only the wire business costs of the Licensee and /or daily scheduling charges of ₹2000 per day to be paid by Open Access Consumers should be waived off. Further, since 66 kV consumers are using only part of distribution system, the wheeling charges should be re-determined.

Reply of PSPCL

Refer reply of PSPCL in issue no. 32 of objection no. 7.

View of the Commission

Refer to view of the Commission on issue no. 32 objection no. 7.

Issue No. 25: Provision of DSM Fund

Provision of DSM fund should be rejected and fund requirement should be covered in capital investment plan only after PSPCL submits cost recovery qualification requirements as per Regulations. Alternatively, the Objector submitted that the Hon’ble Commission may consider the actual expenditure incurred on DSM activities, duly approved by the Hon’ble Commission.

Reply of PSPCL

Refer to PSPCL reply on issue no. 21 Objection no. 5.

View of the Commission

Refer para 3.18 & 4.18 of this Tariff Order.

Issue No. 26: A&G Expenses

A&G expenses of ₹30.61 crore pertaining to donation to the Cancer and Drug Addiction Treatment Infrastructure Fund should be disallowed in Tariff Order and should be met by PSPCL out of its profit.

Reply of PSPCL

Refer to PSPCL reply to issue no. 10 Objection no. 5.

View of the Commission

The Commission is allowing A&G expenses as per PSERC (Terms and Conditions for Determination of Tariff) regulations 2005. Refer para 3.12 and 4.12 of this Tariff Order.

Issue No. 27: Prior Period Expenses

PSPCL has claimed prior period expenses of ₹43.25 crore in 2012-13, ₹157 crore in 2013-14, ₹279 crore in H-1 of 2014-15, the ARR under consideration can accommodate expenses related to the benefits passed on to the consumers in the relevant year only.

Reply of PSPCL

Refer to PSPCL reply on issue no. 30 Objection no. 7.

View of the Commission

Refer to view of the Commission on issue no. 30 of objection no. 7.

Issue No. 28: Boundary metering

PSTCL should declare the boundary metering within 3 months and the actual losses of STU should be available w.e.f. 1 April, 2015 and accounted for on actual basis in the RE of 2015-16 in the ARR of FY 2016-17. PSTCL should be directed to commission metering system on transmission system boundaries and intimate actual loss in next tariff filing.

Reply of PSPCL

The above objection is not related to PSPCL. It is requested to seek reply from the PSTCL.

View of the Commission

Refer to view of the Commission on issue no. 31 objection no. 7.

Objection No. 20: Power Engineer Associates, Bathinda.

Issue No. 1: Public Lighting Supply

Connection for Public lighting supply can only be given to Government or Semi-Government, Panchayats, PUDA, etc. departments and cannot be given to any private colony developers as per SVIII schedule of Tariff. It is requested to review the tariff for street light connection to be given to private PUDA Approved/TP Scheme approved in residential colonies, in commercial complexes separately.

Reply of PSPCL

As per Section 62(3) of the Electricity Act, 2003, Hon'ble Commission, while determining the tariff, may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. Schedule SVIII regarding Street Lighting Supply (SL) provides connections under this category to Street Lighting system including signalling system and road and park lighting undertaken by the local bodies like Municipal Corporations Municipal Committees, Nagar Councils and Panchayats, Institutions (at the discretion of the supplier) etc. Further, Section 62(3) of the Electricity Act, 2003 does not allow differentiating on the basis of ownership. Hence, the applicability of the Street Lighting Supply cannot be differentiated on the basis of ownership as public or private. However, the applicability of tariff can be considered on basis of larger purpose of street lighting.

View of the Commission

Schedule VIII of Tariff is applicable for Public Lighting supply undertaken by Local Bodies & not to private residential colonies.

Objection No. 21: Sh. Satish Arora, President, Hotel, Restaurant & Resorts Association Punjab (Regd.), Bathinda

Issue No. 1: Industrial Tariff for Hotels

Industrial tariff may be charged to hotels as it comes under Industry and all the facilities of industries be given.

Reply of PSPCL

The matter regarding the Determination of Tariff and its applicability to various categories of consumers comes under the purview of Hon'ble Commission. As per Section 62(3) of the Electricity Act, 2003, Hon'ble Commission while determining the tariff may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. Accordingly, Hon'ble Commission has created the separate tariff category for Industry (Small Power, Medium Supply and large Supply, etc) considering the purpose of use. Schedule of Tariff for Industrial Supply cannot be made applicable to Hotels/Restaurants.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 2:

Extra expenses upto 200 kW may not kindly be charged from the Hotel Industry.

Reply of PSPCL

The objection submitted is not clear, however, all the charges are being recovered as determined/ approved by Hon'ble Commission.

View of the Commission

Objection is not clear.

Issue No. 3: No Tariff Hike

Government of Punjab has declared that the Punjab is electricity surplus State, hence, the tariff should not be increased rather it should be reduced and free from power cuts.

Reply of PSPCL

PSPCL has optimised its power purchase cost by considering the procurement of power by merit order principle. Though the PSPCL has surplus power, but it is on annual basis. However, it has to procure power for meeting its demand during peak load hours. The benefit of considering power from cheaper sources has already been considered while estimating the power purchase cost.

Further, determination of tariff depends on the average cost of supply which includes not only power purchase cost, but also the other expenses like O&M expenses, depreciation, Interest charges, etc. The Hon'ble Commission in Tariff Order for FY 2014-15 has determined the tariff after considering the increase in average cost of supply from ₹5.73 per unit to ₹5.88 per unit. Hence, while determining the tariff for FY 2015-16, the Hon'ble Commission has to take an appropriate view on the revenue gap submitted in the present petition.

View of the Commission

Refer to view of the Commission on issue no. 4 objection no. 15.

Objection No. 22: Consumer Awareness Group, Bathinda

Issue No. 1: Publicity regarding Hearing Dates

Wide publicity is to be given before public hearing date. Other than newspaper advertisements, banners etc. should be put on all PSPCL offices to make the general public aware of the date.

Reply of PSPCL

PSPCL has taken a note of the suggestion.

View of the Commission

PSPCL may give wide publicity regarding public hearings.

Issue No. 2: Theft of Energy

PSPCL should take stringent steps to stop and curb electricity theft which is rampant all over the State instead of increasing the power tariff.

Reply of PSPCL

PSPCL is making continuous efforts for curbing the theft of energy and controlling commercial losses. As a result, PSPCL has been able to achieve the T&D losses of 16.77% in FY 2012-13. Further, theft of electricity is illegal under the Electricity Act, 2003. The theft of electricity is a serious offence and shall attract the imprisonment for the term which may be extended to three years or with fine or with both as per Section 135 of the Electricity Act, 2003. Further, Anti Theft Police Stations have been set up to effectively deal with the theft cases. PSPCL field officers and enforcement squads also make routine checking to stop this menace.

View of the Commission

PSPCL is advised to take necessary measures to stop theft of energy.

Issue No. 3: Underground Cabling

Electricity wiring should be done underground as it will reduce theft of electricity.

Reply of PSPCL

PSPCL has taken a note of the suggestion. PSPCL will consider the option of underground cables in future years subject to the cost benefit analysis and investment approval by the Hon'ble Commission.

View of the Commission

PSPCL may consider the proposal of the objector if it is financially viable.

Issue No. 4: Free Power Supply

No free power supply should be given to any consumer category. Instead of this 24 hours satisfactory safe and quality power supply be ensured.

Reply of PSPCL

Refer to PSPCL reply on issue no. 8 Objection No. 11.

View of the Commission

Refer view of the Commission on issue no. 8 objection no. 11.

Issue No. 5: Hydel Power Generation

PSPCL should go for mini Hydel power plants as there is plenty of canal water system for the same.

Reply of PSPCL

PSPCL is taking power from its own thermal generation and other sources like, central generating station, IPPs, etc. PSPCL has already contracted the power for meeting its demand. At this stage no further own hydro generation is required because of surplus power scenario as depicted in the ARR.

View of the Commission

PSPCL may examine the proposal.

Issue No. 6: Menace of Coal Ash

Thermal ash seeps into the soil and poisons it. There are alarming reports of high uranium concentration in the Bathinda area soil alleged to be causing cancer.

Reply of PSPCL

The Scientific Committee constituted by Hon'ble Punjab and Haryana High Court, in its report submitted on 28 July, 2014 has concluded that the perception of uranium contamination in the ground water due to ashes generated from thermal plant Bathinda can be ruled out. Further, the Committee in its report has also mentioned that the contribution of uranium to the ground water due to deposition of fly ash at dyke area through ground route of GNDTP, Bathinda was highly insignificant over the last 35 years i.e. only about 0.04%. Similarly, through Ariel route, the contribution of uranium to the ground water due to deposition of fly ash on to soil is only about 0.5% over the past 35 years.

View of the Commission
The issue raised is not related to ARR.

Issue No. 7: Thermal Plants at Coal Pits
The thermal plants may be setup in coal producing State like Jharkhand, Bihar, Orissa, Chhattisgarh, etc. Hence, the local people are not made to suffer because of so many thermal plants in Bathinda area.
Reply of PSPCL
The issue raised is not related to the present ARR petition. However, Electricity Act, 2003 delicensed the generation activity, hence it does not come under the purview of the State Electricity Regulatory Commission.
View of the Commission
The issue is not related to ARR.
Objection No. 23: Sh. Nikhil Kapoor, Energy Controller, Indus Towers Ltd., Chandigarh

Issue No. 1: Rationalisation of Tariff for Telecom towers in the State.
Hon'ble Commission is requested to take voltage wise category wise cost of supply as an input in tariff determination process for FY 2015-16. Further, the cost of supply for the consumers with flat load profile and high power factor requiring the electricity on continuous basis may be considered separately while determining the tariff for FY 2015-16. Hon'ble Commission is requested to implement two-part tariff structure for State of Punjab.
Reply of PSPCL
Clause 8.3.2 of the National Tariff Policy provides that the tariff for each category of consumers should be fixed within $\pm$ 20% of the average cost of supply of the PSPCL and it no where mentions the category-wise cost of supply. Same principle is followed by the Hon'ble Commission in past Tariff Orders while determining the tariff rates for each category of consumers in the State. Accordingly, Hon'ble Commission determines the tariff rates in consideration of principles elaborated in National Tariff Policy and to meet the revenue deficit of PSPCL.
As regards the two-part tariff, proposal for two-part tariff was submitted with the ARR for FY 2014-15 and is the best possible proposal keeping in view the data of PSPCL. Hon'ble Commission may take an appropriate view on the introduction of the Two Part Tariff.
View of the Commission
The Commission determines the tariff for various categories of consumers as per Tariff Regulations. With regard to cost of supply & two-part tariff, refer para 5.4 & 5.2 of this Tariff Order, respectively. Also refer to para 7.2 & 7.3 of this Tariff Order.

Issue No. 2: Introduction of a new sub-category for telecom towers within Commercial Consumers
Hon'ble Commission is requested to consider the classifying telecom towers under separate sub-category within the existing commercial category with suitable relaxation in the applicable tariff.
Reply of PSPCL
The matter regarding the determination of Tariff and its applicability to various categories of consumers comes under the purview of Hon'ble Commission. As per Section 62(3) of the Electricity Act, 2003, Hon'ble Commission, while determining the tariff, may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. Hon'ble Commission may take considerate view on creation of sub-category for telecom towers after taking into account the interest of the

PSPCL.

View of the Commission

There is no justification for creating sub-category in the schedule.

Issue No. 3: Implementation of Consolidated Billing and Roll out of AMR meters for LT consumers

Hon'ble Commission is requested to consider issuing directives to utility to implement consolidation of bills sub division level and PSPCL to support the proposal of installation of AMR meters and roll out consolidated billing for large consumers with multiple connections. The implementation of consolidated billing and AMR would be greatly beneficial to PSPCL.

Reply of PSPCL

PSPCL is well aware about the benefits of AMR and is in the process of implementation of AMR. IT systems are being deployed in 47 towns eligible under R-APDRP Part A. The remaining areas are to be covered under Non R-APDRP except GIS and AMR of Distribution Transformers. 8 No. towns have been declared "Go Live". The billing application has been largely stabilized leading to correct, complete & timely billing.

As regards the AMR meters for HT consumer, the MDAS application has been deployed at DC, Patiala. AMR Data from HT/select LT consumers is to be acquired through modems connected to HT/select LT meters. 2204 modems have been installed (as on 30 September, 2014) for these consumers. Billing of high end consumers in the 7 towns integrated with DC is being carried out based on AMR data.

As regards the AMR meters for DS/NRS consumers, at present successful techno-commercial model of AMR of DS/NRS consumers is yet to be developed in the country. However, EIC/IT is working on the pilot project of smart grid.

As regards the consolidated billing, PSPCL considers that it is not practically viable as the connections are spread over and relates to different Sub-divisions of PSPCL all over the Punjab.

View of the Commission

The issue is not related to ARR.

Objection No. 24: President, PSEB Engineers Association, Patiala

Issue No. 1: CAG Audit Report

A copy of CAG Audit report for FY 2012-13 may be supplied.

Reply of PSPCL

CAG Audit report for FY 2012-13 is still awaited and will be submitted to the Hon'ble Commission as soon as available/received.

View of the Commission

The Commission has issued directive 6.18 to PSPCL for timely submission of audited accounts so that true up exercise for the relevant year is carried out at the earliest

Issue No. 2: Methodology for True Up

It is agreed that in true up exercise, the principle/methodology should not be changed.

Reply of PSPCL

PSPCL agreed that the principle/methodology adopted in Tariff Order shall not be changed at time of truing up exercise. The same has been confirmed by Hon'ble APTEL in its Judgement dated 4 December, 2007 in Appeal No. 100 of 2007. The relevant extract is as under:

> *"28. We have heard contentions of the rival parties. Basic issue that has to be decided is: whether or not the Commission was correct in carrying out the truing up of revenue requirements and revenues of KPTCL for the tariff period FY 2000-01 to FY 2005-06. Invariably, the projections at the beginning of the year and actual expenditure and revenue received differ due to one reason or the other.*

Therefore, truing up is necessary. … … ….

It is made clear that truing up stage is not an opportunity for the Commission to rethink de novo on the basic principles, premises and issues involved in the initial projections of revenue requirements of the licensee." (emphasis added)

In view of the same, PSPCL requests the Hon'ble Commission not to re-think on the basic principles which are adopted in Tariff Order for FY 2012-13 while carrying out true-up exercise.

View of the Commission

The Commission processes the ARR according to notified regulations. The Commission is duty bound to verify all the claims and carry out prudent check of the expenses of the licensee to protect consumers against false claims.

Issue No. 3: Back Down of Generation

Back down is considered justified when the cheaper generation is available in northern grid as compared to variable charges of PSPCL own thermal stations and to avoid commercial loss resulting from under drawl at high frequency wherein UI rate may even be zero.

Reply of PSPCL

PSPCL always makes sincere efforts to reduce its power purchase cost. PSPCL pleaded to Hon'ble Commission to consider the loss of generation due to backing down instructions issued by SLDC while assessing the performance for targeted generation of own Thermal plant. The reasons for the same are well elaborated in the petition. Cheaper power is available for PSPCL from the other sources, however, the purchase of power from these sources tend to reduce the generation of own thermal plants and in turn PSPCL may be penalised with the disincentive on account of lower thermal generation as considered by Hon'ble Commission in Tariff Order for FY 2014-15. Hence, PSPCL requests the Hon'ble Commission to take a considerate view in this regards. Hon'ble Commission may issue guidelines for purchase of power after backing down its own generation if it is available at cheaper rates than the rates determined for own thermal plants.

View of the Commission

PSPCL has never specifically projected any backing down of its own Thermal Generating Stations in the ARR. The Commission will consider the backing down on merits, at the time of True-up.

Issue No. 4: Loss of Generation at Shanan Power Plant

PSPCL may inform on the quantum of generation loss for Shanan plant occurring due to outage/break down of units. Also, the details of periods of breakdown of Unit-V at Shanan due to runner failure and consequent generation loss may be given.

Reply of PSPCL

The issue does not directly relate with the ARR. However, if Hon'ble PSERC will desire information on the subject, the same will be submitted.

View of the Commission

PSPCL is directed to supply requisite information to the objector with a copy to the Commission.

Issue No. 5: Employee Cost

Hon'ble Commission is requested to allow employee expenses in accordance with Hon'ble APTEL Judgement dated 18 October, 2012 and 11 September, 2014.

Reply of PSPCL

Refer to PSPCL reply on issue No. 22 Objection No. 5.

View of the Commission

Refer para 3.10 and 4.10 of this Tariff Order.

Issue No. 6: R&M Expenses
Hon'ble Commission is requested to allow R&M expenses as per normative.
Reply of PSPCL
PSPCL has claimed R&M expenses on normative basis as per Regulation 28 of PSERC Tariff Regulations, 2005, as amended from time to time. PSPCL requests the Hon'ble Commission to approve the R&M expenses on normative basis.
View of the Commission
The Commission allows expenses after prudent check and in line with PSERC Tariff Regulations. Refer para 3.11 and 4.11 of this Tariff Order.

Issue No. 7: Depreciation
PSPCL may give the details of depreciation of ₹324.72 crore has been calculated. However, as per depreciation rate of 5.28% as specified in CERC Regulations, it is coming as ₹449.03 crore.
Reply of PSPCL
PSPCL is carrying combined business of distribution and generation system. The rate of depreciation for the distribution organisation has not been provided by CERC in its tariff regulations. As two set of depreciation cannot be adopted for one company, therefore, as per the Significant Accounting Policies, depreciation on fixed assets is provided in the accounts on Straight Line Method at the rate specified under the Companies Act, 1956 as amended from time to time. Further, the Consumer Contribution, Government Grants and Subsidies are also accounted for as per significant policies on the basis of clause no 2.33, 2.34, 2.35, 2.36 of Electricity (Supply) (Annual Accounts) Rules 1985. Hence, depreciation of ₹324.72 crore is computed as per the depreciation rates adopted by PSPCL i.e., rates specified under the Companies Act, 1956 as amended from time to time. The depreciation on the assets is charged as per the policy over the useful life of asset and is ceased to be charged on the assets which has already completed their useful life up to 90% of the book value. Hence, calculating depreciation on the gross assets of the company by applying depreciation rate is not correct.
View of the Commission
Depreciation has been allowed as per provisions of Tariff Regulations. Refer para 3.13 and 4.13 of this Tariff Order.

Issue No. 8: Interest on Working Capital
Interest on working capital is ₹1340 crore but the overall impact of short term working capital loans is net outflow of ₹318.77 crore. This is an anomalous situation.
Reply of PSPCL
The objector has wrongly computed the overall impact of short-term working capital. The objector has not considered the opening balance of working capital loan as ₹10819.65 crore. While considering the net loan, the objector has not considered the interest on net loan as the interest amount of ₹1340 crore also includes the interest on opening loan of ₹10819.65 crore. Hence, it would not be correct to say that PSPCL is ending up by making additional payments instead of getting funds from working capital loans.
View of the Commission
Interest charges on working capital loans have been allowed after prudent check as per PSERC Tariff Regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 9: Late Payment Surcharge
Late payment surcharge of ₹199.42 crore is not justified to be included as non-tariff income in view of Hon'ble APTEL Judgements.
Reply of PSPCL
PSPCL agrees for non inclusion of late payment surcharge in non-tariff income. PSPCL submits that the interest on working capital is allowed on normative basis which is lower and does not include the actual interest which PSPCL has to fund on account of late

payment. Thus, when the late payments are received from the consumers, the loans taken to fund the gap and the delay in the receipt in payment is to be accounted and the same is not allowed in the revenue requirements. The same has also been confirmed by Hon'ble APTEL Judgment dated October 4, 2007 in Appeal No. 223 of 2006. Hence, PSPCL requests the Hon'ble Commission not to include late payment surcharge in Non tariff income.

View of the Commission

Late payment surcharge is included in Non Tariff Income as per Regulation 34 of PSERC Tariff Regulation. Refer para 3.20 and 4.19 of this Tariff Order.

Issue No. 10: Subsidy for FY 2012-13

PSPCL may submit the following details regarding the subsidy of ₹5059.40 crore received for FY 2012-13:

a. Whether any amount was received by adjustment or whether the entire payment was by cash/cheque.
b. Date wise/month wise receipt of subsidy over the year FY 2012-13.
c. Any claim of interest on the delayed payment of subsidy.

Reply of PSPCL

(a) & (b) The details of subsidy received have already been submitted to PSERC.

(c) PSPCL has not claimed any interest on the delayed payment of subsidy from Government of Punjab. Hon'ble PSERC may consider at its own discretion.

View of the Commission

The subsidy is to be paid in advance monthly instalments by the State Government. In case of delay in payment of subsidy, interest is charged from GoP on the delayed amount of subsidy.

Issue No. 11: **Loss of Generation FY 2014-15**

The quantum of loss of generation due to backing down for H1 of FY 2014-15 may be supplied.

Reply of PSPCL

The quantum of loss of generation due to backing down for H1 of FY 2014-15 is as under:

Sr. No.	Plant	Quantum (MU)
1	GNDTP	424.98
2	GHTP	737.66
3	GGSSTP	1157.27
4	**Total**	**2319.91**

View of the Commission

PSPCL has supplied the information sought by the objector.

Issue No. 12: Auxiliary Consumption of GNDTP

Auxiliary consumption of GNDTP may be taken as 12% as per Hon'ble APTEL Judgement. The backing down will result in increase of auxiliary consumption and increase in specific oil consumption. Since, GHTP has cooling towers; its auxiliary consumption norms must be fixed 0.5% higher.

Reply of PSPCL

PSPCL has considered auxiliary consumption for GNDTP at 11% for convenience of computation as considered by Hon'ble Commission in past tariff Orders. Hon'ble Commission in Tariff Order for FY 2014-15 decided to follow norms specified for CERC Tariff Regulations, 2014 and in the case of GNDTP, adopted the norms specified for Tanda Thermal Power Generating Station. In the said Regulations, the auxiliary consumption norms for Tanda Thermal Power Generating Station are specified as 12%. PSPCL prays to Hon'ble Commission to approve the actual auxiliary consumption for GNDTP at 12% as per norms applicable to Tanda Central generating station. With regard to the GHTP, PSPCL has considered the auxiliary consumption on normative basis. The backing down on no demand is imposed by Power Controller, Patiala and has to be strictly followed. It is true that this results in increase in auxiliary consumption and specific oil consumption. The partial load operation of unit also results in degradation of Station Heat Rate. PSERC may consider fixing 0.5% higher auxiliary consumption in case of GHTP.

View of the Commission

Refer to para 4.4.1 of this Tariff Order.

Issue No. 13: Station Heat Rate Norms

It is a principle which is adopted and accepted by CERC that those stations which are not in a position to achieve the prescribed levels must be allowed relaxed Station Heat Rate (SHR) norms so that these stations are able to recover the cost of fuel on the basis of relaxed SHR. Further, factors such as operation of unit at low loading and repeated start/stop cycles also causes degradation of Station Heat Rate. It is requested to recognise such factors for relaxation of Station Heat Rate.

Reply of PSPCL

PSPCL has considered the station heat rate of GNDTP in line with the norms specified for Tanda Thermal power Station. PSPCL has considered the station heat rate for GHTP as 2438 kCal/kWh and for GGSSTP as 2544.20 kCal/kWh for FY 2015-16 based on actual performance. It is settled principle by CERC and other SERCs also that, relaxation in norms may be provided to generating station which are not in position to achieve the norms stipulated in the Regulations. Considering the totality about the inherent problems and aging of respective units, different SERCs are allowing higher Station Heat Rate after taking judicious view. Thermal Plants have an integration of multitude components and equipments. It is a universal fact that performance of any mechanical equipment does not remain constant over useable life of equipment due to wear and tear of normal operation and other factors. Therefore, performance of a new thermal stations and old thermal stations in terms of Station Heat rate cannot be equated. GGSSTP has six units which have been operating for last 20 to 29 years and average useful life of these units is already more than 24 years against the normal life of 24 years. No major R&M work has been carried out so far in any of the units. Also, GGSSTP has been able to operate these units at very high PLF. The performance of plant is also affected by the operating conditions. Due to cyclic demand, the units are subject to operate a partial load or even have to shut down due to low power demand. Such operating conditions are badly affecting the Station Heat rate and other performance parameters of the plant. Hon'ble PSERC may consider the relaxed norms in view of the above submissions.

View of the Commission

Refer to para 4.7 of this Tariff Order.

Issue No. 14: De-allocation of Pachhwara Coal Mines

PSPCL should give the details of measures/steps taken to meet shortfall due to de-allocation of Pachhwara Coal mine. Further, PSPCL should give details of plan/ contingency plan for meeting fuel requirements of PSPCL thermal stations in absence of Pachhwara mines. Further, the cost of imported coal is considerably higher than domestic coal even after accounting of the higher GCV of imported coal.

Reply of PSPCL

A meeting was taken on 30 August, 2014 by Secretary, Ministry of Power at New Delhi, wherein lesser coal supply position at PSPCL thermal power stations was deliberated. The meeting was attended by Secretary (Power), Government of Punjab along with PSPCL Officers. During the meeting, the representatives of Ministry of Power and Ministry of Coal, emphasized for stepping up coal supply to PSPCL Thermal power stations. It was also emphasized during the meeting that power utilities should also take necessary initiatives for import of coal, so as to augment coal supplies to their thermal power stations. For importing the coal, PSPCL is following competitive bidding route and has floated Global Tender Enquiry for import of 1.2 million tones coal for augmenting coal supply requirement for FY 2015-16 keeping in view the uncertain coal supply position due to the cancellation of coal block by Hon'ble Supreme Court.

View of the Commission

PSPCL has replied to the issue raised by the objector. It has been intimated by PSPCL in case of Petition No. 13 of 2015 that the mines have again been allotted to PSPCL. Also refer to para 4.7 of this Tariff Order.

Issue No. 15: Plant Load Factor of GHTP

PLF trend for GHTP would indicate the possibility of PLF as low as 60% in FY 2015-16, however, PSPCL has projected unrealistic and high figures of 89% PLF in FY 2015-16 which is not in order and not agreed to.

Reply of PSPCL

Generation of own thermal power plant for FY 2014-15 and FY 2015-16 have been taken as per Central Electricity Authority (CEA) generation targets and accordingly, Plant Load Factor for GHTP is computed as 78.91% for H2 of FY 2014-15 and 89.03% for FY 2015-16. Further, it is observed from Format 2 submitted in Volume I of the Petition that GHTP has achieved the actual PLF of 89.53% for FY 2012-13 and 82.70% for FY 2013-14. Hence, the projections made are in line with the past trend and it would not be correct to say that the projections are unrealistic. Further, in real time basis, the actual generation may vary on account of variation in demand, change in merit order, backing down instruction by SLDC, availability of coal, etc.

View of the Commission

The projections of PSPCL are subject to true up.

Issue No. 16: Plant Load Factor of GGSSTP

PLF for GGSSTP plant may not be more than 60% for FY 2015-16 as against the projected figure of 77.70% considering the effect of backing down.

Reply of PSPCL

Generation of own thermal power plant for FY 2014-15 and FY 2015-16 have been taken as per Central Electricity Authority (CEA) generation targets and accordingly, Plant Load Factor for GGSSTP is computed as 75.53% for H2 of FY 2014-15 and 77.70% for FY 2015-16. Further, it is observed from Format 2 submitted in Volume I of the Petition that GGSSTP has achieved the actual PLF of 83.05% for FY 2012-13 and 72.53% for FY 2013-14. Hence, the projections made are in line with the past trend and it would not be correct to say that the projections are unrealistic. Further, in real time basis, the actual generation may vary on account of variation in demand, change in merit order, availability of coal and backing down instruction by SLDC etc.

View of the Commission

The projections of PSPCL are subject to true up.

Issue No. 17: Generation of Thermal Power Plants

PLF and energy for GHTP and GGSSTP has been over estimated by 29% and 18% respectively. The implications of reduced generation due to backing down as reduction of fuel cost to tune of ₹647 crore for GHTP and ₹623 crore for GGSSTP and increase in power purchase quantum of 3967 MU.

Reply of PSPCL

The projections for PLF and gross generation for GHTP and GGSSTP are according to CEA targets and are in line with the past trend. Any variation in real time basis with the projected cost should be considered at the time of truing up exercise.

View of the Commission

The Commission agrees with the reply of PSPCL.

Issue No. 18: Scheduling of Power from IPPs

After referring the figures of scheduling of power from of IPPs, financial impact of such backing down by way of paying capacity charges for capacity not scheduled/availed may be given by PSPCL. Further, the impact of backing down has escalated the overall unit rate to ₹3.97 per unit for Talwandi Sabo and ₹13 per unit for Nabha Power Limited.

Reply of PSPCL

PSPCL has estimated the units to be surrendered based on merit order principle. For estimation purpose, the energy availability has been projected based on date of commissioning, availability based on stabilization period and normative plant load factor and fixed charges as per provisions of PPA. Further, for merit order principle, the variable rates are considered of July, 2014 for Talwandi Sabo and September, 2014 for NPL. It is observed that 20015 MU generation would be available from IPPs, out of which 11464 MU is projected to be surrendered as per Merit Order principle. Considering the average fixed charges for generation available, out of ₹2769 crore fixed charges, ₹1588.43 crore were corresponding to the energy to be surrendered. It is submitted that in real time basis, this impact may change considering the change in merit order and scheduling of the plants.

View of the Commission

Refer to para 4.8 of this Tariff Order. The actual impact will be known at the time of true up.

Issue No. 19: Merit Order Power Purchase

PSPCL should ensure the maximum availability/drawl of power from the lowest tariff stations in which PSPCL has allocation. PSPCL to ensure that additional 1368 MU is made available from Sasan at bid rate so that the energy purchased from costlier sources can be avoided to that extent.

Reply of PSPCL

PSPCL is always takes extensive efforts and always ensures that maximum power be available from cheaper sources while operating the system in real time basis for optimizing the power purchase cost. As regards Sasan UMPP, PSPCL has estimated the energy available for its share of 558.36 MW assuming the commissioning of various units. However, in actual, the commissioning schedule may vary and energy available from such units may differ.

View of the Commission

Refer to para 4.8 of this Tariff Order.

Issue No. 20: Own Generation

PSPCL should make re-assessment of energy availability from its own thermal stations after taking into account the trend of increased backing down of thermal generation on account of high frequency and under-drawl at high frequency which is becoming more serious in FY 2015-16.

Reply of PSPCL

Generation of own thermal power plant for FY 2014-15 and FY 2015-16 have been taken as per Central Electricity Authority (CEA) generation targets. The backing down of this thermal generation depends upon the system conditions and it would be difficult to anticipate the system conditions at this stage. The actual generation, considering all this backing down, shall be reflected at the time of truing up of such years.

View of the Commission

Refer to view of the Commission on issue No.16 &17 above.

Issue No. 21: Intra State Transmission Charges

The figures of intra-state transmission and wheeling charges of ₹895.66 crore for FY 2014-15 and ₹931.08 crore for FY 2015-16 may be amended as per PSTCL ARR petition.

Reply of PSPCL

The figures of wheeling charges and transmission charges as estimated by PSTCL in their ARR were not available with PSPCL at the time of submission of petition and since the petition has already taken on record, such change would not be possible. PSPCL requests the Hon'ble Commission to consider wheeling charges and transmission charges as submitted by PSPCL in their ARR petition.

View of the Commission

The Commission has determined the intra-state transmission charges for FY 2014-15 (Review) and FY 2015-16 in the Tariff Order for FY 2015-16 of PSTCL & the same have been taken in the Tariff Order of PSPCL for FY 2015-16.

Issue No. 22: Legal Status of Pachhwara Coal Mine

PSPCL may inform its action plan to contest Hon'ble Supreme Court Judgement and possibility of appeal or getting a stay Order and also issue whether the amount is payable by EMTA group instead of loading it on PSPCL.

Reply of PSPCL

Legal opinion of PSPCL legal counsel was taken on the Judgement of Hon'ble Supreme Court cancelling coal block including PSPCL's Pachhwara (central) Coal block and in this regard, petition was also filed in the Hon'ble Supreme Court by PSPCL. The matter relating to the cancellation of various coal block by Order of the Hon'ble Supreme Court dated 25 August, 2014 and 24 September, 2014 were taken up for hearing on 8 December, 2014 to consider the consequential directions if any prayed for by any of the beneficiaries. PSPCL's application for directions before Hon'ble Supreme Court, also seeking waiver/deferment of the payment of ₹295/-per MT for the coal extracted from the Pachhwara (Central) Coal Block was also taken up on 8 December, 2014. Similar applications were moved by others including the Karnataka Power Utilities and they had specifically prayed for direction from the Hon'ble Supreme Court that the amount of ₹295 per MT is payable by the Joint venture company or EMTA as majority of shareholder of the Joint Venture Company and not by State Power Utilities. There were other applications seeking permission to participate in the coal auction without payment of ₹295 per MT. Also, there were several requests made before Hon'ble Supreme Court in regard to non-payment of ₹295 per MT or in regard to the mining rights being protected. All above applications were considered by the Hon'ble Supreme Court on 8 December, 2014. The Hon'ble Judges were however not inclined to allow any of the application. After hearing parties including PSPCL, Hon'ble Supreme Court rejected all the requests made without any exception. The process of allotment of cancelled coal blocks has been started by Ministry of Coal and PSPCL has submitted online application on 5 February, 2015 for allotment of Pachhwara Central Coal Mine. In view of the position brought out above, it can be seen that required legal avenues and channels stands explored by PSPCL in this regard.

View of the Commission

PSPCL has replied to the issue raised by the objector. The Commission is separately examining the issue in case of Petition No. 13 of 2015 filed by PSPCL.

Issue No. 23: Capital Expenditure

PSPCL should give description of capital expenditure proposed of ₹460 crore for FY 2014-15 and ₹515.8 crore for FY 2015-16. Further, PSPCL may give the status of loading of transformers commissioned in FY 2014-15 and status of works for evacuating the power from the transformers to be commissioned in FY 2015-16. The PSPCL may supply the list of 100 /160 MVA transformers commissioned by PSTCL in FY 2014-15 which are lying unloaded due to non-construction of outgoing 66 kV lines by PSPCL.

Reply of PSPCL

PSPCL has already submitted the project wise details of capital expenditure in the reply of deficiencies. Kindly refer the same, as the same is available in public domain.

View of the Commission

The information asked should be supplied to the objector under intimation to the Commission.

Issue No. 24: Shifting of Meters/ Functional Re-organization

a) Shifting of meters outside the consumer premises has been the most successful initiative undertaken for reduction of losses.
b) Shortage of staff in field and higher employee cost in PSPCL needs a serious consideration. The functional re-organisation be implemented uniformly across PSPCL for achieving the twin objectives of reduction of employee cost and increasing accountability and efficiency of staff and officers.

Reply of PSPCL

a. The issue is not related to the present exercise of ARR petition. The various issues regarding the shifting of meters are more of process oriented and related to implementation of activities at functional level. The implementation of various activities and processes are being done as per PSPCL internal decisions. PSPCL has been targeting the loss trajectory fixed by PSERC and overall results achieved are good in terms of loss reduction.
b. PSPCL is filling up the shortages of employees arising out of retirement by recruitments every year. The details of number of employees are submitted in replies to deficiencies. As regards employee expenses, it is submitted that PSPCL is a State Government owned entity and is liable to follow the statutory provisions of the rules and regulations as laid down by the State Government. Accordingly, any increase in employee cost due to revision in DA, arrears of pay, etc has to be borne by PSPCL and is beyond its control. This fact is also recognized by Hon'ble APTEL in its Judgments dated 18 October, 2012 and 11 September, 2014. Moreover, Hon'ble Commission had already decided this issue in Petition No. 4/14 and PSPCL had already reported the status of implementation to the Commission.

View of the Commission

a. Refer to directive no. 6.1 of this Tariff Order.
b. Employee cost has been allowed as per PSERC Tariff Regulations. Refer Directive 6.8 and para 3.10 and 4.10 of this Tariff Order.

Issue No. 25: Details of Capital Expenditure Works

Summary of works for the capital expenditure of distribution system executed in FY 2014-15 for ₹686 crore and proposed works for FY 2015-16 of ₹410 crore may be given.

Reply of PSPCL

PSPCL has already submitted project wise details of capital expenditure in the reply of deficiencies. Kindly refer the same, as the same is available in public domain.

View of the Commission

Refer to the view of the Commission on issue no. 23 of objection no. 24.

Issue No. 26: Calculation of Depreciation

CERC methodology for working out the depreciation for each category of assets needs to be applied using depreciation rate of specified for each category of assets. In case of thermal and hydro station, depreciation rate of 5.28% is specified.

Reply of PSPCL

PSPCL carrying combined business of distribution and generation system. The rate of depreciation for the distribution organisation has not been provided by CERC in its tariff regulations. As two set of depreciation cannot be adopted for one company, therefore, as per the Significant Accounting Policies, depreciation on fixed assets is provided in the accounts on Straight Line Method at the rate specified under the Companies Act, 1956 as amended from time to time. Depreciation is computed as per the depreciation rates adopted by PSPCL i.e., rates specified under the Companies Act, 1956 as amended from time to time. The depreciation on the assets is charged as per the policy over the useful life of asset and is ceased to be charged on the assets which has already completed their useful life up to 90% of the book value. Hence, the calculation of depreciation on the gross assets of the company by applying depreciation rate is not correct.

View of the Commission

Depreciation has been allowed as per provisions in Tariff Regulations. Refer para 3.13 and 4.13 of this Tariff Order.

Issue No. 27: Working Capital Loans

The working capital loan instead of being a source of cash/fund to meet working expenses is turning out to be a burden of ₹1637.75 crore per year.

Reply of PSPCL

Objector has wrongly computed the overall impact of short-term working capital and has not considered the opening balance of working capital loan of ₹10819.65 crore. While considering the net loan, the objector has not considered the interest on net loan as the interest amount of ₹1340 crore also includes the interest on opening loan of ₹10819.65 crore. Hence, it would not be correct to say that PSPCL is ending up by making additional payments instead of getting funds for working capital loans.

View of the Commission

Interest charges on working capital loan have been allowed after prudent check as per PSERC regulations. Refer para 3.14.12 and 4.14.8 of this Tariff Order.

Issue No. 28: Short Term Loans

PSPCL's request for allowing a bridge loan on account of non-payment of ₹591.39 crore from Government of Punjab is not agreed to and GoP must comply Tariff Order of FY 2014-15. If the amount not paid by GoP, then it should be added to the subsidy amount to be determined by Hon'ble Commission for FY 2015-16 and GoP should be required to give consent to make payment of subsidy amount along with these arrears amount. In case there is shortfall in payment of subsidy, the same shall be charged from consumers by levy of unsubsidized tariff.

Reply of PSPCL

Hon'ble Commission in its tariff Order for FY 2014-15 has approved the interest on delayed payments of subsidy of ₹211.44 crore and carrying cost of ₹379.95 crore. PSPCL is following up with Government of Punjab for payment of this amount. In the past, Hon'ble Commission has allowed PSPCL interest on bridge loan towards the loan taken in lieu of adjustment of ₹981.93 crore in Tariff Order for FY 2012-13. As the cash shortage arising out of ₹591.39 crore has already been funded by PSPCL by taking short term loans, hence, PSPCL requests the Hon'ble Commission to allow the bridge loan and its interest in Tariff Order for FY 2015-16.

View of the Commission

Interest charges on loan have been allowed after prudent check based on loans approved by the Commission in line with PSERC Tariff Regulations. Refer para 3.14 and 4.14 of this Tariff Order.

Issue No. 29: Details of Employees

PSPCL should give details of category-wise sanctioned posts and actual strength of employees as on 1 April, 2014 and 30 September, 2014. Further, PSPCL may indicate the strength of posts as per Punjab share in BBMB power wing and actual number of personnel employed. Hence, it would be financial and economic interest of PSPCL to ensure that the required strength of staff is deployed to BBMB as there is every possibility that PSPCL will be making payment for the staff in BBMB which is belonging to other states or BBMB cadre.

Reply of PSPCL

The number of employees required to be posted with BBMB as per agreement and actual employee posted are as under:

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Number of employees to be posted at BBMB	1565	1565	1565	1565
Actual/Proposed number of employees posted at BBMB	521	500	520	520

PSPCL is bearing the O&M expenses of BBMB including employee expenses on the basis of agreed energy sharing ratio as per the notifications issued by Ministry of Power, Government of India from time to time and not in terms of employees deputed to BBMB. Although, PSPCL has posted lesser employees to BBMB but it has to bear the employee expenses of BBMB as per its energy share.

With regard to shortage of staff, the details of employees have already been submitted in reply to deficiencies.

View of the Commission

Employee cost has been allowed as per PSERC Tariff Regulations. Refer para 3.10 and 4.10 of this Tariff Order. In view of the reply of PSPCL, the possibility of posting more staff in BBMB should be examined by PSPCL so as to reduce overall employee cost.

Issue No. 30: Open Access Energy

PSPCL may give details of energy obtained from outside sources though Open Access by LS consumers for period FY 2013-14 and FY 2014-15. Further, PSPCL needs to detail the impact of Open Access both in terms of energy and revenue. Further, PSPCL may clarify on the amount shown as nil against theft of energy.

Reply of PSPCL

Energy obtained from outside sources through Open Access by LS consumers for FY 2013-14 is 1729 MU and for FY 2014-15 upto December 2014 is 466 MU. Further, it would be difficult to anticipate the revenue to be realized on account of theft as the same depends upon many factors such as part payments, number of assessed units, ongoing disputes, payment by consumer, etc. PSPCL will consider the actual revenue realized at time of truing up.

View of the Commission

PSPCL is directed to give complete information to the objector regarding impact of Open Access in terms of energy & revenue. The information regarding theft may also be supplied to the objector. Refer para 4.7 & 4.8 of this Tariff Order for fuel cost & power purchase and para 6.3 of Tariff Order for PSTCL for FY 2015-16 for transmission charges.

Issue No. 31: Fuel Cost

Cost of fuel would be lower than ₹5360 crore by considering the impact of backing down of own thermal plant and cost of power purchase would be higher. Further, Transmission charges should be as per PSTCL ARR petition. The details of actual payment of income tax in FY 2014-15 and provision for Income tax for FY 2015-16 may be given.

Reply of PSPCL

As regards the backing down of own generation as discussed in earlier replies, PSPCL will consider the impact of the same at the time of truing up when the actual generation of own thermal plants and backing down generation is available. As regards transmission charges, Hon'ble Commission may consider the transmission charges as submitted by

PSTCL in their ARR petition. No actual payment of income tax is made for FY 2014-15 and no provision for income tax for FY 2015-16 is made by PSPCL.

View of the Commission

The actual fuel cost & power purchase cost will be determined by the Commission at the time of true up on the basis of actual on generation & power purchase. Regarding intra-state transmission charges refer to view of the Commission on issue No.21 above.

Issue No. 32: Details of Meters

PSPCL may give details of the position of replacement of burnt/defective meters and latest stock position of meters, CT/PT units, etc.

Reply of PSPCL

The information is not related to the present petition and more related to operational activities. The objector may obtain the information from the concerned department, if required.

View of the Commission

Refer to directive no. 6.1(ii)(c) of this Tariff Order.

Issue No. 33: Fuel Audit report of Pachhwara Coal Mine

PSPCL may supply copy of Fuel Audit report of Pachhwara Capital coal mine carried out by CIMFR to the Hon'ble Commission and the objector.

Reply of PSPCL

The copy of Fuel Audit Report of Pachhwara coal mine stands submitted to Hon'ble Commission vide memo no. 2633/CC/DTR-104/Vol. 34 dated 12.12.2014 Objector may obtain copy of report from the concerned department referring to this reply.

View of the Commission

PSPCL should supply information to the objector directly under intimation to this Commission.

Objection No. 25: Sh. Gurmeet Singh Bhatia, (Retd. ARA)

Issues No. 1: Refund as per T.O. 2014-15

As per Tariff Order 2014-15, certain refunds were required to be given but the same have not made.

Reply of PSPCL

KVAh based billing of all categories as directed in the Tariff Order has already been started w.e.f. November, 2014. The overhauling of the accounts of the consumers from April to October, 2014 has already been started after getting the requisite software developed through our vendor. This process of overhauling has already been done in many cases and all the accounts requiring overhauling for the period April to October, 2014 likely to be completed by 31.3.2015. Regarding late implementation of KVAH Tariff/other rebates, it is intimated that the Tariff Order was issued in the last week of August, 2014. There were major structural changes in the tariff of various categories which necessitated large scale amendments/developments in billing software by the officer of CE/IT (for SAP area) and NIELT (for non SAP area). The medication/developments of software took time and after testing to ensure correct issue of bills the software was ready only in October, 2014 based on new software billing as per new tariff structure was started in November, 2014. The developments with regard to certain rebates such as voltage rebate ₹1/- per unit, rebate on consumption of above average consumption of past three years etc. have also be done after development of main software and action to give such rebates has been taken accordingly.

View of the Commission

Objector's concerns have been replied by the PSPCL.

Issue No. 2:

The objector has further raised the following issues:-

(i) Matters relating to Tariff Order for FY 2009-10.
(ii) Interest on refunds at the double rate.
(iii) Cases of embezzlement.
(iv) Wrong billing in case of connections having load more than 10 KW.
(v) Misclassification of items entered in Sundry Charges and Allowances Register.
(vi) Accounting of late payment surcharge.
(vii) Benefits to consumers in theft cases.
(viii) Decisions of Dispute Settlement Committees.
(ix) Lodging of FIR.
(x) Charging of amount in case of UUE.
(xi) Filing of cases in Lok Adalat.
(xii) Fixing of responsibility of higher officers in case of theft.
(xiii) Shortage of working staff.
(xiv) Difficulties of consumers.
(xv) Deduction of TDS on refund of interest on ACD.
(xvi) Change of name cases.
(xvii) Posting of ACD in ledgers.
(xviii) Ban on recovery of ACD.
(xix) Complaints of violations.
(xx) All powers with CMD.

Reply of PSPCL

None of the above issues raised relates to the present exercise of ARR as such any reply/comments needs to be given. However, the objector is requested to approach the concerned authority.

View of the Commission

The issues do not relate to present ARR. Objector may take up these issues separately with PSPCL.

Objection No. 26: Executive Officer, Municipal Council, Bhawanigarh.

Issue No. 1: Applicability of Domestic tariff to Street Light

Streetlight bills may be charged domestic tariff instead of commercial tariff. It is also requested that lights installed in parks, etc. by Municipal Council may also be charged as domestic tariff. .

Reply of PSPCL

The matter regarding the Determination of Tariff and its applicability to various categories of consumers comes under the purview of Hon'ble Commission. As per Section 62(3) of the Electricity Act, 2003, Hon'ble Commission, while determining the tariff, may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. Accordingly, Hon'ble Commission has created the separate tariff category for Public Lighting considering the purpose of use.

Schedule of Tariff for Domestic Supply provides the availability of electricity to Residential premises for lights, fans, domestic pumping set etc. So, as per request of the EO Municipal Council Bhawanigarh, Schedule of Tariff for Domestic Supply cannot be made applicable to Street Lighting supply which comes under the separate availability clause. Further, schedule of NRS Tariff is not being levied to Street Light Supply.

View of the Commission

Refer Schedule SVIII of Tariff at Annexure-II (Vol.II) of this Tariff Order.

Objection No. 27: Sh. Vijay Talwar, Laghu Udyog Bharti (Punjab), Jalandhar

Issue No. 1: Surplus Electricity/TOD Tariff

PSPCL is not watching the interest of the consumers & the cost of electricity has already increased heavily. This is due to inefficient working of Powercom. This time due to the heavy un-scheduled power cuts, keeping the consumers in dark by not properly advertising TOD tariff policy & depriving the consumers to use electricity during peak and off peak hours. The Objector cited the following examples:

a. It is mandatory for PSPCL to install the TOD compliant meters at consumers' premises.
b. TOD Tariff should be extended for the whole year and PSPCL should be directed to give uninterrupted electricity supply.
c. PSPCL officers are creating lot of hurdles for releasing new connections by demanding NOC's which are not required. Consumer should be allowed to extend their contract demand @10% of their sanctioned demand every year like VDS.
d. Increases in sale will result in decrease in tariff in Punjab.
e. Hon'ble Commission may direct Government of Punjab to reduce Electricity duty from 13% to 5%.
f. No power purchase beyond the existing agreements should be allowed to PSPCL.
g. PSPCL should be directed to put all unscheduled power cuts information on the website of PSPCL.
h. PSPCL should be directed not to impose any power cut in the State and should supply 24x7 power supply.

No amount under the garb of surrender of surplus power should be allowed.

Reply of PSPCL

It is not correct to say that cost of electricity has increased due to inefficiency, unscheduled power cuts, not apprising timely introduction of TOD policy and depriving the consumers to use electricity in night.

a. Tariff policy for TOD was finalised by the Hon'ble Commission after receiving the comments from Public and TOD tariff made applicable to MS Category from October, 2014. For LS category, TOD tariff continued from October, 2013 to May, 2014. Although the generation is surplus, but, it is necessary to control the maximum demand during evening peak load hours to keep the system intact. Further, Hon'ble Commission had made it very clear that TOD benefit can only be given after installation of TOD compliant meters. Hence, PSPCL would not be taken at fault if the meters were not supplied timely by manufacturers/suppliers.
b. Regarding extension of TOD for whole year, the same would not be possible as surplus power is not available for whole of the year as already considered by the Commission.
c. The issue raised by the Objector is not related to present ARR Petition. However, if the Objector has any issue relating to release of new connections, he may approach to the concerned division or should have brought the matter to the notice of higher authority of PSPCL. Demand of increase in Contract Demand @ 10 % every year like VDS is not feasible of acceptance. For any increase in CD, augmentation of lines and sometime sub-stations are required to ensure proper voltage at consumer's end. Moreover any increase/decrease of CD requisite agreement has to be executed between PSPCL and Applicant.
d. PSPCL has to purchase electricity at higher rates due to increase in demand for supply to the consumers; this increases the cost of supply which in turn increases the tariff. It would not be correct to say that increase in sale leads to decrease in tariff.
e. The issue of levy of Electricity duty is under the purview of the Government of Punjab.
f. PSPCL has made the arrangement of power based on its actual and projected

demand. There is surplus of energy available with PSPCL in FY 2014-15 and FY 2015-16 but not whole of day/year. Hence, as regards the additional arrangement of power in future, PSPCL may consider the same, if it is required on the basis of increase in demand.

g. Demand of power is affected especially with weather change/break down in generation. Prior notice of unscheduled power cut or uploading the same on website is not practically possible as it may happen only at small locations due to some emergency or technical reasons. However, these incidents may be rare.
h. PSPCL always makes efforts to supply uninterrupted power supply to all consumers. There will be improvement in supply with more generation capacity available in the State.

View of the Commission

a) Refer to para 5.3 of this Tariff Order.
b) Refer to para 5.3 of this Tariff Order.
c) PSPCL should follow regulation 6 of the Supply Code 2014 for release of connections.
d) The actual impact of increase/decrease in energy sales is known only at the time of true up and the same is taken into account accordingly.
e) Levy of tax/cess/duty is the prerogative of the State Government.
f) Commission is allowing the power purchase as per approved PPAs.
g) Refer to Commission's Order in Petition No.6 of 2015.
h) Refer to Commission's Order in Petition No.6 of 2015.

Issue No. 2: Prudent checking by the Commission

Hon'ble Commission should adopt the norms and principles already adopted for fixing the tariff review and true up. Norms for receipted coal & fired/bunker coal GCV value 150 KG or lower should be considered.

Reply of PSPCL

As regards the consideration of drop in GCV between the receipted coal and fired/bunkered coal to 150 kCal/kg, Hon'ble Commission may take an appropriate view after taking into account the CPRI reports dated February, 2012 and August, 2012 and actual GCV data of the thermal power plants of PSPCL.

View of the Commission

Refer to para 4.7 of this Tariff Order.

Issue No. 3: Peak Load Exemption Charges

PLEC charges should be charged for three hours only from the consumers who want to avail the electricity by paying extra charges per unit.

Reply of PSPCL

Peak demand is observed during 6 PM to 10 PM daily with the use of more and more lighting load and use of electrical gadgets in the state. Further, actual consumption during the period of 6 PM to 10 PM is to be billed with extra rate of ₹3 per kVAh. The objector should feel satisfied that the demand of industry to bill peak load consumption on actual consumption basis has been met by Hon'ble Commission and there should be no objection to its working and charging for peak load consumption.

View of the Commission

PLEC charges are levied for three hours during the period from 6PM to 10PM. Refer para 5.3 of this Tariff Order.

Issue No. 4: Rationalisation of MS & LS Load

Medium supply (MS) existing industrial consumers were allowed to use 100 kW i.e., 110 kVA and extend the load category of MS consumers up to 110 kVA.

Reply of PSPCL

The differentiation between MS and LS category is to be decided by Hon'ble

Commission in respective Tariff Order and Supply code regulations. However, the revenue loss to PSPCL shall be there with the increase of limits of contract demand as LS tariff is higher than MS category. Further, the actual demand recorded depends upon the actual power factor of load and diversity factor for the particular industry.

View of the Commission

With power factor improvement, MS consumer may use load almost upto 100 kW.

Issue No. 5: Computing of Industrial Load

Hon'ble Commission is requested to make it clear whether the load use for office/administrative block in the same premises comes under industrial category or NRS category. If it comes under industrial category then necessary correction is to be made in schedule of tariff.

Reply of PSPCL

Factory lighting is to be charged under industrial tariff and for administrative block, separate connection under NRS category is necessary, as consumption in administrative block is not covered under factory lighting. This issue stands already decided by the PSERC.

View of the Commission

Refer to General Conditions of tariff at Annexure I (Vol.II).

Issue No. 6: Improvement in Consumer Relationship

PSPCL should make efforts for selling electricity by releasing/extensions timely and make friendly relationship with consumers.

Reply of PSPCL

It is not correct to say that inefficient working of PSPCL is putting burden on the consumers, rather CBIP has appreciated the overall performance of department. Every effort is being put to bring the working of department under well laid commercial principles set up by Hon'ble Commission.

View of the Commission

PSPCL should strictly implement the Standards of Performance specified by the Commission along with various directives issued in the Tariff Order to improve customer service.

Issue No. 7: Electric Induction Furnace

Electric Induction furnace upto 500 kW are eco-friendly and reduce the pollution than Oil furnace and these should be considered under general industrial tariff or in alternative monthly minimum charges should be brought at par with general industry.

Reply of PSPCL

Determination of tariff and tariff applicability is the prerogative of the Hon'ble Commission.

View of the Commission

Induction furnaces of LS category are power intensive as per study carried out by CPRI, Banglore. As such, different tariff has been fixed for this category.

Issue No. 8: Interest & Finance Charges

The interest claimed by PSPCL is on higher side and should be allowed after prudent check.

Reply of PSPCL

Refer to PSPCL reply on issue no. 3 Objection no. 3.

View of the Commission

Interest charges have been allowed after prudent check and in line with PSERC Tariff Regulations. Refer para 3.14 and 4.14 of this Tariff Order.

Issue No. 9: Employee Expenses

All expenses including employee cost should be allowed as per existing principles and regulations, because employee cost is highest in Punjab.

Reply of PSPCL

Refer to PSPCL reply on issue no. 22 Objection No. 5.

View of the Commission

The Commission allows Employee Expenses after prudent check and in line with PSERC Regulations. Refer para 3.10 and 4.10 of this Tariff Order.

Issue No. 10: BBMB Quota of Employees

1000 officers which were to be deputed in BBMB have not been deputed and are getting paid by PSPCL, resulting in loss of ₹120 crore.

Reply of PSPCL

PSPCL is bearing the O&M expenses of BBMB (including employee expenses) on the basis of agreed energy sharing ratio as per the notifications issued by Ministry of Power, Government of India from time to time and not in terms of employees deputed to BBMB. Although, PSPCL has posted lesser employees to BBMB but it has to bear the employee expenses of BBMB as per its energy share. Hence, it would not be correct to say that this is resulting in loss of ₹120 crore as the same employees are serving for PSPCL.

View of the Commission

The employee cost pertaining to BBMB is allowed on actual basis in line with PSERC Tariff Regulations. Refer para 3.10 and 4.10 of this Tariff Order. Refer views of the Commission on issue no. 29 of objection no. 24 also.

Issue No. 11: Hike in PANEM Coal Cost

PSPCL should explain the reasons for sudden increase in coal prices by Panem and non-supply of coal to PSPCL, which resulted shut down of power plants. Further, PSPCL has invested equity of ₹391 crore by taking loan. Such amount and interest should not be allowed.

Reply of PSPCL

The Pachhwara (central) coal mine was allotted to PSEB (now PSPCL) in the year 2001 by Ministry of Coal and Mines, Govt. of India for supply of coal on exclusive basis to power plants of PSEB for generation of thermal Power. Further, vide Gazette Notification dated 22/02/2002, the central Govt. has specified as an end use the supply of coal from the Pachhwara central Block by the Panem Coal Mines Limited on exclusive basis to the power plant of Punjab State Electricity Board for generation of thermal power subject to the condition that Punjab State Electricity Board holds at least 26 percent of voting equity share capital of the Panem Coal Mines Limited. Accordingly the equity share holding of PSPCL is 26% and this is sweat. Regular coal supply was affected by PANEM citing financial constraints. Arbitration proceedings were also invoked against PSPCL in May, 2010 by a legal notice on behalf of Panem coal Mines Ltd. and EMTA and vide a legal notice dated 19.09.2014 on behalf of EMTA. However, there has no sudden increase in coal rates allowed to PANEM as has been pointed out in the objection.

Regarding deposit of ₹391.46 crore with Central Govt., it is mentioned that Hon'ble Supreme Court of India vide its Judgment dated 25.08.2014 and Order dated 24.09.2014 cancelled 204 coal blocks allotted from 1993 to 2010 including the Pachhwara (central) coal block allotted to PSEB in December 2001. The Hon'ble Supreme Court has also directed compensatory payment of ₹295 per MT of coal from prior allottee as an additional levy from the time the coal mines became operational including breathing period of 6 months i.e. upto 31st March, 2015. Thereafter the coal Mines (Special) Provisions Ordinances dated 21.10.2014 and 26.12.2014 has been issued by the Govt. of India to handle the situation arising out of the Supreme Court Order cancelling captive mine allocations and to reallocate/allot these cancelled coal mines.

Since, PSPCL was in critical need of allotment of the Pachhwara central coal Block, therefore as a matter of abundant caution to become eligible for allotment of coal mine, PSPCL after getting the opinion of PSPCL legal counsel has deposited with Coal

Controller, Ministry of Coal, Govt. of India a sum of ₹391.46 crore (to the extent of PSPCL's share in JV Company i.e. M/s Panem) i.e. 26% of ₹295 per MT of the coal extracted upto 24.09.2014 from Pachhwara Central Coal Block.

PSPCL has deposited ₹391.46 crore through letter dated 31.12.2012 to the office of coal controller and it has been specifically mentioned in the letter that "if in terms of the provision of the new ordinance' no liability is to be imposed on the State Utilities such as Punjab State Power Corporation Limited or West Bengal and Karnataka state utilities etc. we may also be given necessary adjustment for the amount deposited. The process of allotment of cancelled coal blocks has been started by the Ministry of coal and PSPCL has submitted online application for allotment of Pachhwara Central Coal Mine.

View of the Commission

The Commission allows fuel cost after prudent check and keeping in view CAG report. Regarding payment of ₹391.46 crore, the matter is being dealt separately in petition no. 13 of 2015 for which public objections have been invited. The objector may file objections, if any, in respect of this petition with reference to the Public Notice.

Issue No. 12: PSPCL Civil Workshop

PSPCL is running workshop for cement pole manufacturing and this should not be allowed as a part of electricity business.

Reply of PSPCL

The issue is not related to present ARR petition. However, cement pole are manufactured in workshops of PSPCL, which are used in erecting lines to give power supply to the consumers and are directly linked with the business of PSPCL.

View of the Commission

The issue does not relate to present ARR. The workshop has been running even before enactment of Electricity Act, 2003. However, PSPCL should adhere to the provision of Section 51 of the Act.

Issue No. 13: AP Supply during Peaking Hours

PSPCL has given un-metered supply to AP category at peak hours and deprived industrial consumers to use electricity. PSPCL has lost revenue by supplying high rated electricity to lowest tariff at lower rates.

Reply of PSPCL

Agriculture tubewells are provided 7-8 hours of supply by dividing them into three groups during paddy season of June to September. During the remaining part of the year, demand reduces considerably. Further, as per cost of supply worked out by Hon'ble Commission, the subsidy is paid by Government of Punjab to PSPCL. Hence, there would not be any loss to PSPCL on account of supply to AP category.

View of the Commission

PSPCL may keep in view the observations of the objector while distributing available power to different categories of consumers.

Issue No. 14: Return on Equity

The benefit of disallowed RoE by Hon'ble APTEL Judgement on consumer contribution should be passed on to the consumers.

Reply of PSPCL

Refer to PSPCL reply on issue no. 9 Objection no. 5.

View of the Commission

Refer para 3.15 & 4.16 of this Tariff Order.

Issue No. 15: Interest on Diversion of Funds

Hon'ble Supreme Court has confirmed the disapproval of interest on the funds diverted. Hence, ARR should be determined in line with the same.

Reply of PSPCL

Objector has not mentioned the details of Hon'ble Supreme Court Judgement.

Government of Punjab is yet to refund interest on account of diversion of funds to PSPCL. The Govt. has gone to Supreme Court against the decision of APTEL, which was in favour of PSPCL. Due to non refund of interest by GoP, PSEB/PSPCL had to borrow WCL to meet its capital requirements.

View of the Commission

Diversion of fund, if any, will be considered at the time of true up.

Issue No. 16: DS Tariff

DS category for below poverty line using electricity up to 50 units should be provided at 50% rate of cost price. Rest of consumers should be considered in separate category and there should be no slab rates & the rates should be one.

Reply of PSPCL

It is incorrect to say that below poverty line consumers consume only upto 50 units, even State Government has allowed 200 units per month free to BPL consumers having load upto one kW and subsidy is being paid to PSPCL. Hon'ble Commission may take an appropriate view on the suggestion.

View of the Commission

The Commission determines the tariff for various categories of consumers as per Tariff Regulations & provisions of Electricity Act 2003. Also refer to para 7.2 of this Tariff Order.

Issue No. 17: Temporary Supply Tariff

Being highest tariff, Temporary tariff after prudent check of income from this category should be considered.

Reply of PSPCL

Temporary supply is for the supply of power for the short period (not exceeding 2 years) for purpose of temporary activities such as constructions, festival, private functions, etc. For such temporary activities also, the PSPCL has to lay its distribution system to fulfil its universal supply obligation. The cost associated with such consumers is also required to recover through the tariff. Higher tariff for temporary supply is prevalent in all the states of the country. Even though, it has higher tariff, because of lower sales, the income from such category is lower.

View of the Commission

The Commission determines the tariff for various categories of consumers as per Tariff Regulations & provisions of Electricity Act 2003. Also refer to para 7.2 of this Tariff Order.

Issue No. 18: Non Tariff Income from Voltage Surcharge

PSPCL should be directed to give separate sales to power intensive units & amount of voltage surcharge received is to be considered as non-tariff income.

Reply of PSPCL

The surcharge of 7% and 10% are only for consumers using power at lower voltage than that of the prescribed in the tariff schedule and it is a part of tariff as losses for lower voltage are higher and cannot be termed as non tariff income.

View of the Commission

PSPCL should supply the sales to PIU to the objector with copy to the Commission. As per Tariff Regulations, voltage surcharge is not a non-tariff income.

Issue No. 19: Delayed Payment Surcharge

Delay payment charges as non-tariff income should be considered while computing final Order.

Reply of PSPCL

PSPCL submits that the interest on working capital is allowed on normative basis which is lower and does not include the actual interest which PSPCL has to fund on account of late payment. Thus, when the late payments are received from the consumers, the loans taken to fund the gap and the delay in the receipt in payment is to be accounted and the same is not allowed in the revenue requirements. The same has also been confirmed by Hon'ble ATE Judgment dated October 4, 2007 in Appeal No. 223 of 2006. Hence, PSPCL requests the Hon'ble Commission not to include late payment surcharge in non tariff income.

View of the Commission

Late payment charges are included in Non Tariff Income as per Regulation 34 of PSERC Tariff Regulations. Refer para 3.20 and 4.19 of this Tariff Order.

Issue No. 20: Monthly Minimum Charges

There is no provision in the Act which empowers to collect MMC especially from consumers who have paid full cost of service line. There is no provision in the bills issued to calculate net MMC charged over and above units consumed and seem to be manipulated. Charging the MMC from poor & unhealthy units which are unable to use electricity is unjustifiable. MMC may be recovered on proportionate rate by considering consumer sanction load with load and demand factor of that category.

Reply of PSPCL

The view of the Objector not to charge MMC from the consumers who have paid full cost of service line is not correct. Fixed charges comprise of depreciation, interest charges, O&M expenses, establishment charges, etc. and the PSPCL is entitled to recover the cost of electricity including fixed charges and variable charges. Although single part tariff cover this charges with zero or minimum consumption, these charges are not getting recovered in comparison to load/demand sanctioned for the consumer. Some consumer are consuming electricity upto MMC leviable and electricity upto MMC becomes totally free for them as consumer is required to pay fix charges with zero consumption. Further, to supply and maintain the electricity in consumer premises, PSPCL has to bear the fixed charges and that is also required to be recovered from the consumer. Thus, demand of the Objector not to charge the MMC from unhealthy poor and unhealthy units is not justified and feasible for acceptance. There is no provision to recover MMC separately from healthy units to compensate unhealthy units and shall not be allowed under the provisions of then Electricity Act, 2003 and regulations made there under.

View of the Commission

The Commission agrees with the reply of PSPCL. Also refer para 5.2 of this Tariff Order wherein the Commission has directed PSPCL to re-submit two part tariff proposal.

Issue No. 21: Audit Note Given in Audited Balance Sheet 2012-13.

There are serious audit notes given in the audited balance sheet 2012-13, which should be taken care, while framing the tariff Order or review & true up.

Reply of PSPCL

PSPCL has submitted true-up for FY 2012-13 based on audited data and principles stipulated in PSERC tariff Regulations. The audited accounts and statutory audit report for FY 2012-13 has been submitted to Hon'ble Commission for prudent check.

View of the Commission

The Commission will consider the notes to the audited accounts for FY 2012-13 at the time of true up.

Issue No. 22: CAG Report

CAG audit report has not yet been available to public and has also not been put up on web site.

Reply of PSPCL

The accounts along with the report of Statutory Auditor were submitted to CAG and CAG conducted the audit from 8 August, 2014 to 9 September, 2014. The audit certificate is awaited. As per the past experience, the audit certificate from the office of CAG of India is received within 6 months from the date of signing of balance sheet. The balance sheet for the year FY 2012-13 has been signed on dated 1 August, 2014 and it is hoped that the audit certificate will probably be received soon. On receipt of the same, the accounts along with reply on audit certificate of CAG will be submitted to the Members for adoption/ approval. Thereafter, it can be made available.

View of the Commission

Commission has issued directive 6.18 to PSPCL for timely submission of Audited Annual Accounts so that true up exercise for the relevant year is carried out at the earliest.

Objection No.28 - Govt. of Punjab

Issue No.1 - Disallowances

The Commission while determining electricity tariff on the basis of tariff petitions filed by PSPCL, on its discretion allows expenditure either as per norms specified in the regulations or the actual expenditure whereas, there should be a single approach to determine the tariff. On this basis, the Commission has been making some disallowances. These have been mainly related to employee costs, interest charges and also on account of non-achieving of various norms, performance parameters and targets fixed by the Commission. These disallowances have impaired the financial health of the PSPCL and have eroded its capacity to make investments that would help it provide quality and affordable power to the consumers in the State. This has in some ways also had an impact on the economic growth of the State. These disallowances seem to be a major reason for the accumulated commercial losses of the PSPCL. While, there have been improvements in the performance/working of PSPCL, we do believe that there is still a lot that needs to be achieved, if PSPCL is provided the requisite support in the performance of its commercial operations.

View of the Commission

The Commission processes the ARR and fixes various norms, parameters and targets as per its notified regulations and accordingly determines the ARR on prudent check of the expenses projected in the ARR. The justified costs are allowed to the utility after processing the ARR as per the notified regulations. The Commission has stressed PSPCL in its various Tariff Orders for improvement in its working by limiting its expenses within the approved amounts and improving the performance parameters. The accumulated losses of the utility are due to non achievement of various norms, performance parameters, targets fixed by the Commission and non implementation of various directives issued in its Tariff Orders. The utility has to improve its performance through various efficiency measures and achieve the targets in respect of various parameters fixed by the Commission. Inefficiencies of the utility cannot be passed on to the consumers.

Issue No.2 - Road Map for improving financial health of the utility/PSPCL

The financial health of PSPCL at present is very critical as vide this instant ARR Petition, PSPCL has depicted total cumulative gap of approximately ₹11317.78 Crore, which has increased by approximately ₹4513.93 Crore (i.e. from ₹6803.85 Crore to ₹11317.78 Crore). The major components of increase in this gap are as below:

(₹ in Crore)

i)	Fuel Cost	=	955.59
ii)	Power Purchase	=	1108.60
iii)	Employee Cost	=	1057.17
iv)	R&M Expenses	=	44.17
v)	A&G Expenses	=	23.97
vi)	Depreciation	=	100.43
vii)	Interest & Finance Charges	=	121.57
viii)	Transmission Charges payable to PSTCL	=	35.42

From the above, it is very clear that increase in this gap is mainly because of increase in Fuel Cost, Power Purchase Cost, Employee Cost and Interest & Finance Charges. It is the statutory duty of the State Government to promote the Financial, Operational and Technical viability of PSPCL. Hence, in terms of Section 86 of the Electricity Act, 2003, the Commission in pursuance to its duties is requested to suggest a road map to meet this goal.

View of the Commission

The Commission processes the ARR as per its notified regulations and accordingly revises the tariffs for various categories of consumers to recover the gap determined on prudent check of the expenses projected in the ARR. The Commission has been laying down a road map for improving the financial health of the utility through various directives in its Tariff Orders. The fuel cost, power purchase cost, employee cost and interest and finance charges are being determined and approved by the Commission as per the notified regulations and as per various norms and performance parameters fixed by the Commission. The PwC submitted report on manpower planning to PSPCL in March, 2011, but till date, no decision has been taken by PSPCL to implement this report, despite repeated directions from the Commission. The Govt. may impress upon PSPCL to take appropriate decision on the implementation of PwC report. PSPCL may also be directed to implement re-organisation of distribution set-up on functional lines in a time bound manner, to improve manpower productivity and efficiency.

PSPCL has appointed M/s Mercados EMI as consultant for implementing the Energy/Load Management and Cost Optimisation System in PSPCL, the report of which is still awaited by the Commission. The Govt. may impress upon PSPCL for early finalization of the report, so that savings in the power purchase cost could be achieved by implementing the report.

Issue No.3 - Employee Cost

The Commission has been consistently disallowing the Employee Cost to the Utility, which can in no way be reduced, since the terms and conditions of an employee once recruited cannot be changed to his disadvantage during the course of his service. This Employee Cost, which is a genuine legitimate cost, must be passed on to the consumers end on an actual basis.

View of the Commission

The Commission allows employee cost as per PSERC Tariff Regulations, which were notified after consultation with all the stakeholders. While approving employee cost, terminal benefits and share of BBMB employee expenses are allowed on actual basis. All other expenses under different sub-heads are allowed by increasing the base expenses by increase in Wholesale Price Index (WPI). Also refer paras 3.10 & 4.10.

Issue No. 4 - Power Purchase Cost

PSPCL has projected Power Purchase Cost for 2015-16 at ₹11488.12 Crore against 2014-15 (RE) of ₹10379.52 Crore showing increase of 10.7% in 2015-16. PSPCL should ensure that Power Purchase and its sale to the consumers is commercially viable and do not result in any net loss to PSPCL.

View of the Commission

The Commission is approving the power purchase cost of PSPCL as per its Tariff Regulations and Power Purchase & Procurement Process of Licensees Regulations. The entire cost of power purchase against long term contracts is being allowed to the utility, whereas the cost of short term power purchase is allowed to the utility on prudent check, subject to the provision of the ibid regulations. Also refer para 4.8 of this Tariff Order.

Issue No.5 - Utilisation/disposal of Surplus Power

Due to commissioning of new power plants Punjab will be surplus in power and it will have to incur an expenditure on account of the fixed charges to be paid to private generating companies for surrendering of surplus power. Therefore, it becomes all the more important to optimize the generation and sale of surplus power to other States/consumers so that PSPCL is not compelled to surrender the costly power.

Suitable tie-ups nationally/ internationally and other avenues for sale of power are required to be explored urgently by PSPCL. The Commission on its part should device a mechanism to encourage energy consumption while at the same time encouraging energy efficiency. The Commission should determine a tariff structure that encourages such behaviour from the consumer and also incentivize industry which shall increase economic output, boost employment and increase consumption.

View of the Commission

In order to promote the consumption of more power, the Commission evolved various measures as brought out in para 6.8.1 of the Tariff Order for FY 2014-15. PSPCL has appointed M/s Mercados EMI as consultant for implementing Energy/Load Management and Cost Optimisation System for PSPCL, the final report of which needs to be expedited by PSPCL. Further, the Commission has directed PSPCL (Directive at Sr.No.6.31) to prepare a plan for sale of surplus power available in the State in the market and submit quarterly progress to the Commission.

Issue No.6 – DSM Fund

The Commission is requested to approve DSM fund to promote various DSM programmes, as these programmes will help in reducing the Power Purchase Cost. The utility in this regard needs to be proactive to innovate and implement various DSM programmes.

View of the Commission

The Commission had approved an amount of ₹40.76 crore in the Tariff Order for FY 2014-15 as claimed by PSPCL for implementation of various DSM programmes in accordance with the provision of DSM regulations. PSPCL was directed to keep this amount in a separate DSM fund and use exclusively for achieving objectives of DSM regulations. The Commission also directed PSPCL to achieve energy saving of 500 MU (including backlog for FY 2013-14) during FY 2014-15. However, PSPCL has failed to create a separate DSM fund. In the ARR for 2015-16, PSPCL has expressed its inability to implement the Demand Side Management measures which require help of technical experts in the field and participation of the consumers. It was precisely for this reason that the Commission had directed PSPCL in the Tariff Order for FY 2013-14 to get load/market research carried out from an expert agency and prepare a comprehensive DSM plan in accordance with DSM regulations. PSPCL has now informed that Memorandum of Understanding with Bureau of Energy Efficiency has been signed under Capacity Building Programme of Ministry of Power, Govt. of India. In this programme, Energy Efficiency Services Limited will prepare DSM plan on the basis of load research and analysis. The Commission has approved ₹5.00 crore for creation of DSM fund, as claimed by PSPCL in the ARR for FY 2015-16.

Issue No.7 – AP consumption

PSPCL has proposed 5% growth in AP consumption from 10832 MUs for 2014-15 (RE) to 11374 MUs in 2015-16. In 2014-15 (RE), the AP consumption rose by 5.86% over 2013-14. It is noteworthy that in the year 2014-15, Punjab recorded deficient rainfall which may have contributed to this steep rise in agriculture power consumption to 10832 MUs in 2014-15 (RE) from 10232 MUs in 2013-14, thus projecting a rise of 5% over the consumption level of 2014-15 may lead to overestimation. Therefore, PSERC should allow AP consumption for 2015-16 at 10994 MUs a rise of 1.5% over 2014-15 (RE) consumption of 10832 MUs. It is vital to measure accurately the AP consumption of the State. Data from AMR scheme, which has now been introduced, should be compared with the data of sample meters. Anomalies, if any, found should be removed so that the desired accuracy can be arrived at.

View of the Commission

The AMR data in respect of AP feeders has still not stabilized. As such, the Commission had determined the AP consumption in the Tariff Order for FY 2014-15 on the basis of pumped energy data supplied by PSPCL. On the basis of pumped energy data, the

Commission has approved the AP consumption for FY 2014-15 (RE) as 10264 MU against 10832 MU projected by PSPCL and 10264 MU for FY 2015-16 against 11374 MU projected by PSPCL. Also refer to paras 3.2.2 and 4.1.3 of this Tariff Order.

Issue No.8 - T&D Losses and Energy Audit of Distribution System

It should be made obligatory for the utility to carry out energy audit of its system to identify high loss areas and take remedial measures to reduce the same. PSPCL should also ensure that the various schemes being implemented for improving the Distribution System and hence T&D losses, are completed within the targets specified by Ministry of Power, Government of India so that the grants are utilized fully. The efforts should be made to achieve the ultimate T&D loss target of 15% by the FY 2015. Interest benefit should also be given to Government for advance releases/excess subsidy paid to PSPCL.

View of the Commission

The Commission has been issuing directives to the utility on the issue of T&D loss reduction and Energy Audit of distribution system. As per the latest comments of PSPCL ending December, 2014 available with the Commission, there is some progress in the implementation of various measures for reduction in T&D losses. The implementation of non-APDRP and R-APDRP (Part-B) schemes by PSPCL is over delayed. PSPCL could have reduced the T&D losses more effectively, had these schemes been implemented as per the original target. PSPCL can achieve the T&D loss target, if it seriously implements various directives issued by the Commission. The Commission had fixed T&D loss target of 16% for FY 2014-15 in the Tariff Order for that year. Going further, the Commission has fixed T&D loss target for FY 2015-16 as 15.50%.

Regarding Energy Audit of distribution system, though PSPCL has claimed that 24 number Towns have been declared as ‘Go Live’ but Energy Audit data of not even a single town has been shared by PSPCL with the Commission despite directions to do so. The Commission has again directed PSPCL in this Tariff Order to submit energy audit report of all ‘Go Live’ Towns within a month of issuance of the Tariff Order. PSPCL has also failed to implement the direction of the Commission to generate and share 11 kV feeder-wise Energy Audit Reports by updating consumer indexing. GoP may also impress upon PSPCL for actively implementing the directives issued by the Commission in the matter of reduction in T&D losses and Energy Audit of distribution system.

Issue No.9 – Capital Expenditure

The Commission is requested to approve the proposed Capital Expenditure amounting to ₹3328 Crore which includes R&M activities of the Thermal Power Plants, Network Capacity Addition, Improvement Projects for Network upto 66 KV, Construction of new Sub-Stations and Mini Grid Sub-Stations alongwith Associated Transmission Lines and for Improvement works in Distribution for the year 2015-16.

View of the Commission

The Capital Expenditure has been approved after taking into account the actual expenditure during the current year. The expenditure has been allowed after prudent check in line with PSERC Tariff Regulations. Also refer paras 3.14 & 4.14.

Issue No.10 - Commercial Viability

While, it is not disputed that the utilities need to bring efficiency in their operations, it is also imperative to ensure that financial health of the utility doesn’t suffer due to disallowance of expenditure, which the utility is unable to avoid due to historical reasons or other constraints.

PSERC would appreciate that a financially strong and commercially viable power utility is ultimately in the long term Interest of the consumers and the State. The National Tariff Policy also provides that “the Regulatory Commission needs to strike the right balance between the requirements of Commercial viability of the Distribution Licensees and Consumers’ interests”. Thus the Commission is requested to balance the interest of all the stakeholders and in the long run to provide for a vibrant power sector, in the State.

The Commission is requested to keep in view the above aspects while determining tariff for the year 2015-16.

View of the Commission

Refer to views of the Commission on issue nos. 1&2.

ANNEXURE – V

Apportionment of Cost among various functions as per PSPCL's Audited Accounts for FY 2011-12 (submitted by PSPCL vide letter no. 523 dated 02.04.2014)

(₹ crore)

Sr. No	Particulars	Hydel	Thermal	Total Generation	Distribution	Total
A - ASSETS						
	Direct	10781.37	12224.95	23006.32	14885.41	37891.73
	Apportioned	376.76	427.21	803.97	520.18	1324.15
	Total (Amount)	**11158.13**	**12652.16**	**23810.29**	**15405.59**	**39215.88**
	Total (%)	**28.45%**	**32.26%**	**60.72%**	**39.28%**	**100.00%**
B - EXPENSES						
1	**Power Purchase Cost**	**0**	**0**	**0**	**5890.10**	**5890.10**
	Power Purchase Cost - %	**0.00%**	**0.00%**	**0.00%**	**100.00%**	**100.00%**
2	Fuel Cost	0	3562.56	3562.56	0	3562.56
	Other Fuel Related Costs	0	0	0	0	0
	Sub Total	**0.00**	**3562.56**	**3562.56**	**0.00**	**3562.56**
	Addl Fuel Related Losses	0	28.12	28.12	0	28.12
	Total	**0.00**	**3590.68**	**3590.68**	**0.00**	**3590.68**
	Total Fuel Cost (%)	**0.00%**	**100.00%**	**100.00%**	**0.00%**	**100.00%**
3	**Repair & Maintenance**					
	Direct	20.91	138.81	159.72	151.69	311.41
	Apportioned	0.62	4.12	4.74	4.51	9.25
	Less: Capitalisation	0	0	0	0	0
	Total (Amount)	**21.53**	**142.93**	**164.46**	**156.20**	**320.66**
	Total (%)	**6.71%**	**44.57%**	**51.29%**	**48.71%**	**100.00%**
4	**Employee Cost**					
	Direct	186.99	344.16	531.15	1902.94	2434.09
	Apportioned	97.30	179.09	276.39	990.20	1266.59
	Less: Capitalisation	0	0	0	0	0
	Total (Amount)	**284.29**	**523.25**	**807.54**	**2893.14**	**3700.68**
	Total (%)	**7.68%**	**14.14%**	**21.82%**	**78.18%**	**100.00%**
5	**Administration & General**					
	Direct	2.13	4.94	7.07	60.59	67.66
	Apportioned	0.93	2.15	3.08	26.39	29.47
	Less: Capitalisation	0	0	0	0	0
	Total (Amount)	**3.06**	**7.09**	**10.15**	**86.98**	**97.13**
	Total (%)	**3.15%**	**7.30%**	**10.45%**	**89.55%**	**100.00%**

Sr. No	Particulars	Hydel	Thermal	Total Generation	Distribution	Total
6	**Depreciation & Related Debits (Net)**					
	Direct	245.92	173.23	419.15	294.93	714.08
	Apportioned	0.73	0.51	1.24	0.87	2.11
	Less: Capitalisation	0	0	0	0	0
	Total (Amount)	**246.65**	**173.74**	**420.39**	**295.80**	**716.19**
	Total (%)	**34.44%**	**24.26%**	**58.70%**	**41.30%**	**100.00%**
7	**Interest & Finance Charges**					
	Direct	583.33	637.02	1220.35	750.01	1970.36
	Apportioned	0	0	0	0	0
	Less: Capitalisation	0	0	0	0	0
	Total (Amount)	**583.33**	**637.02**	**1220.35**	**750.01**	**1970.36**
	Total (%)	**29.61%**	**32.33%**	**61.94%**	**38.06%**	**100.00%**
8	**Return on equity (in ratio of assets)**	**268.20**	**304.12**	**572.32**	**370.30**	942.62
	Return on equity (%)	**28.45%**	**32.26%**	**60.72%**	**39.28%**	**100.00%**

ANNEXURE – VI

Proportion of Plant-wise cost of Generation for FY 2011-12 (As per information submitted by PSPCL vide letter no. 504 dated 27.03.2014)

Units in MkWh

(₹ in Lacs)

S.No	Particulars	HYDEL									THERMAL				Total
		RSD	Mukerian Hydel	UBDC	Shanan	Anadpur Sahib	Micro Hydel	L.Bank R.Bank	Beas & extn.	Total Hydro	GGSSTP Ropar	GNDTP Bathinda	GHTP Mohabbat	Total Thermal	
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = (III to X)	XII	XIII	XIV	XV= (XII+XIII+XIV)	XVI= (XI+XV)
1	MkWh generated during the year	1927.74	1357.75	295.45	517.30	807.13	4.49	3007.90	1888.54	9806.30	9563.96	1883.01	7621.26	19068.23	28874.53
2	MkWh used in auxiliaries	7.70	22.01	1.95	7.50	8.22	0.00	0.00	0.00	47.38	807.45	210.47	599.54	1617.46	1664.84
3	MkWh sent out	1920.04	1335.74	293.50	509.80	798.91	4.49	3007.90	1888.54	9758.92	8756.51	1672.54	7021.72	17450.77	27209.69
4	Total depreciated capital cost of generating assets in use at the beginning of the year including share of G.E	664642.22	69803.33	75585.20	8319.22	52279.92	1333.54	8368.51	113.52	880445.46	293566.55	344770.24	332326.70	970663.49	1851108.95
5	Total capital expenditure on generation assets brought in use during the year with date of commissioning including share of G.E.	-1.19	27.00	462.93	83.02	5.50	0.00	9064.30	497.94	10139.50	3127.39	448.66	1116.77	4692.82	14832.32

S.No	Particulars	HYDEL									THERMAL				Total
		RSD	Mukerian Hydel	UBDC	Shanan	Anadpur Sahib	Micro Hydel	L.Bank R.Bank	Beas & extn.	Total Hydro	GGSSTP Ropar	GNDTP Bathinda	GHTP Mohabbat	Total Thermal	
I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI = (III to X)**	**XII**	**XIII**	**XIV**	**XV= (XII+XIII+XIV)**	**XVI= (XI+XV)**
6	**COST OF GENERATION**														
I	Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	185848.49	41379.36	131840.00	359067.85	359067.85
ii	Oil, water & stores	0.00	0.00	0.00	0.00	0.00	0.00	71.43	6.09	77.52	1258.95	281.51	278.06	1818.52	1896.04
iii	Salaries & wages including contribution made for Pension, Provident, Superannuation of Officer/Staff	1465.23	2673.84	2244.58	1422.46	2023.46	0.00	4901.31	6877.55	21608.43	25430.65	15261.97	8638.24	49330.86	70939.29
iv	R&M expenses	58.39	105.44	71.62	130.31	117.36	0.00	357.53	1250.41	2091.06	7308.13	1373.07	3310.93	11992.13	14083.19
v	Adm. Charges attributable to generation	56.53	39.22	33.60	35.06	31.19	0.00	49.66	9.81	255.07	270.08	119.18	202.55	591.81	846.88
vi	Specified Depreciation including share of G.E.	21007.21	1787.39	531.23	244.55	294.26	40.67	301.96	384.41	24591.68	1807.08	1457.77	14030.90	17295.75	41887.43
vii	Interest	43433.22	4561.53	4939.36	543.65	3416.40	87.14	546.87	7.42	57535.59	19184.06	22530.14	21716.97	63431.17	120966.76
	Total cost of Generation	66020.58	9167.42	7820.39	2376.03	5882.67	127.81	6228.76	8535.69	106159.35	241107.44	82403.00	180017.65	503528.09	609687.44
	Cost of Generation per kWh in paise	343.85	68.63	266.45	46.61	73.63	284.65	20.71	45.20	108.78	275.35	492.68	256.37	288.54	224.07

ANNEXURE – VII

Proportion of Plant-wise cost of Generation for FY 2011-12 (As per Annexure VI)

(In %)

S.No	Particulars	HYDEL									THERMAL			
		RSD	Mukerian Hydel	UBDC	Shanan	Anadpur Sahib	Micro Hydel	L.Bank R.Bank	Beas & extn.	Total Hydro	GGSSTP Ropar	GNDTP Bathinda	GHTP Mohabbat	Total Thermal
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = (III to X)	XII	XIII	XIV	XV= (XII+XIII+XIV)
1	MkWh generated during the year	19.66%	13.85%	3.01%	5.28%	8.23%	0.05%	30.67%	19.26%	100.00%	50.16%	9.87%	39.97%	100.00%
2	MkWh use in auxiliaries	16.25%	46.45%	4.12%	15.83%	17.35%	0.00%	0.00%	0.00%	100.00%	49.92%	13.01%	37.07%	100.00%
3	MkWh sent out	19.67%	13.69%	3.01%	5.22%	8.19%	0.05%	30.82%	19.35%	100.00%	50.18%	9.58%	40.24%	100.00%
4	Net fixed asset	75.50%	7.93%	8.58%	0.94%	5.94%	0.15%	0.95%	0.01%	100.00%	30.24%	35.52%	34.24%	100.00%
5	Total capital expenditure on assets addition during the year	-0.01%	0.27%	4.57%	0.82%	0.05%	0.00%	89.39%	4.91%	100.00%	66.64%	9.56%	23.80%	100.00%
6	**COST OF GENERATION**													
I	Fuel	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	51.76%	11.52%	36.72%	100.00%
ii	Oil, water & stores	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	92.14%	7.86%	100.00%	69.23%	15.48%	15.29%	100.00%
iii	Employee cost + FBT	6.78%	12.37%	10.39%	6.58%	9.36%	0.00%	22.69%	31.83%	100.00%	51.55%	30.94%	17.51%	100.00%
iv	R&M expenses	2.79%	5.04%	3.43%	6.23%	5.61%	0.00%	17.10%	59.80%	100.00%	60.94%	11.45%	27.61%	100.00%

S.No	Particulars	HYDEL									THERMAL			
		RSD	Mukerian Hydel	UBDC	Shanan	Anadpur Sahib	Micro Hydel	L.Bank R.Bank	Beas & extn.	Total Hydro	GGSSTP Ropar	GNDTP Bathinda	GHTP Mohabbat	Total Thermal
I	II	III	IV	V	VI	VII	VIII	IX	X	XI = (III to X)	XII	XIII	XIV	XV= (XII+XIII+XIV)
v	Admin & General Expenses	22.15%	15.38%	13.17%	13.75%	12.23%	0.00%	19.47%	3.85%	100.00%	45.63%	20.14%	34.23%	100.00%
vi	Other expenses including depreciation	85.42%	7.27%	2.16%	0.99%	1.20%	0.17%	1.23%	1.56%	100.00%	10.45%	8.43%	81.12%	100.00%
vii	Interest	75.50%	7.93%	8.58%	0.94%	5.94%	0.15%	0.95%	0.01%	100.00%	30.24%	35.52%	34.24%	100.00%
	Total cost of Generation	62.18%	8.64%	7.37%	2.24%	5.54%	0.12%	5.87%	8.04%	100.00%	47.88%	16.37%	35.75%	100.00%

ANNEXURE – VIII

Plant-wise Revenue Requirements for FY 2015-16 (on the basis of Annexure VII)

(₹ crore)

S. No	Item of expense	Hydel	RSD	MHP	UBDC	Shanan	ASHP	Micro Hydel	L.Bank R.Bank	Beas & extn.	Thermal *	GGSSTP	GNDTP	GHTP	Basis of Apportionment (from Annexure VI)
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI
1	Cost of fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5160.21	2597.87	717.49	1844.85	Fuel Cost as per Table 4.17
2	Employee cost	348.73	23.64	43.14	36.23	22.95	32.64	0.00	79.13	111.00	642.07	330.99	198.66	112.43	Employee cost
3	R&M expenses	29.61	0.83	1.49	1.02	1.84	1.66	0.00	5.06	17.71	196.72	119.88	22.52	54.31	R & M expenses
4	A&G expenses	4.57	1.01	0.70	0.60	0.63	0.56	0.00	0.89	0.18	10.58	4.83	2.13	3.62	A & G expenses
5	Depreciation	263.34	224.95	19.14	5.69	2.61	3.16	0.45	3.24	4.11	185.50	19.38	15.64	150.48	Net Fixed Assets
6	Interest Charges	542.80	409.81	43.04	46.57	5.10	32.24	0.81	5.16	0.05	592.66	179.22	210.51	202.93	Interest on Depreciated Cost of Generation
7	Return on Equity	268.18	202.48	21.27	23.01	2.52	15.93	0.40	2.55	0.03	304.18	91.98	108.04	104.15	Net Fixed Assets
8	DSM Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Charges payable to GoP on Power from RSD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	**Total Revenue Requirement**	**1457.23**	**862.71**	**128.79**	**113.12**	**35.65**	**86.19**	**1.66**	**96.03**	**133.07**	**7091.92**	**3344.16**	**1275.00**	**2472.77**	

S. No	Item of expense	Hydel	RSD	MHP	UBDC	Shanan	ASHP	Micro Hydel	L.Bank R.Bank	Beas & extn.	Thermal *	GGSSTP	GNDTP	GHTP	Basis of Apportionment (from Annexure VI)
I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**	**X**	**XI**	**XII**	**XIII**	**XIV**	**XV**	**XVI**
11	Add: Consolidated Gap and carrying cost of gap ending FY 2014-15	-4.53	-2.68	-0.40	-0.35	-0.11	-0.27	-0.01	-0.30	-0.41	-22.05	-10.40	-3.96	-7.69	In proportion to Total Revenue Requirement
12	**Gross revenue requirement (9+10)**	**1452.70**	**860.03**	**128.39**	**112.77**	**35.54**	**85.92**	**1.66**	**95.73**	**132.66**	**7069.87**	**3333.76**	**1271.03**	**2465.08**	

Date: May 05, 2015

Place: CHANDIGARH

Sd/-
(GURINDER JIT SINGH)
MEMBER

Sd/-
(ROMILA DUBEY)
CHAIRPERSON

Certified

Sd/-

Secretary
Punjab State Electricity Regulatory Commission,
Chandigarh.